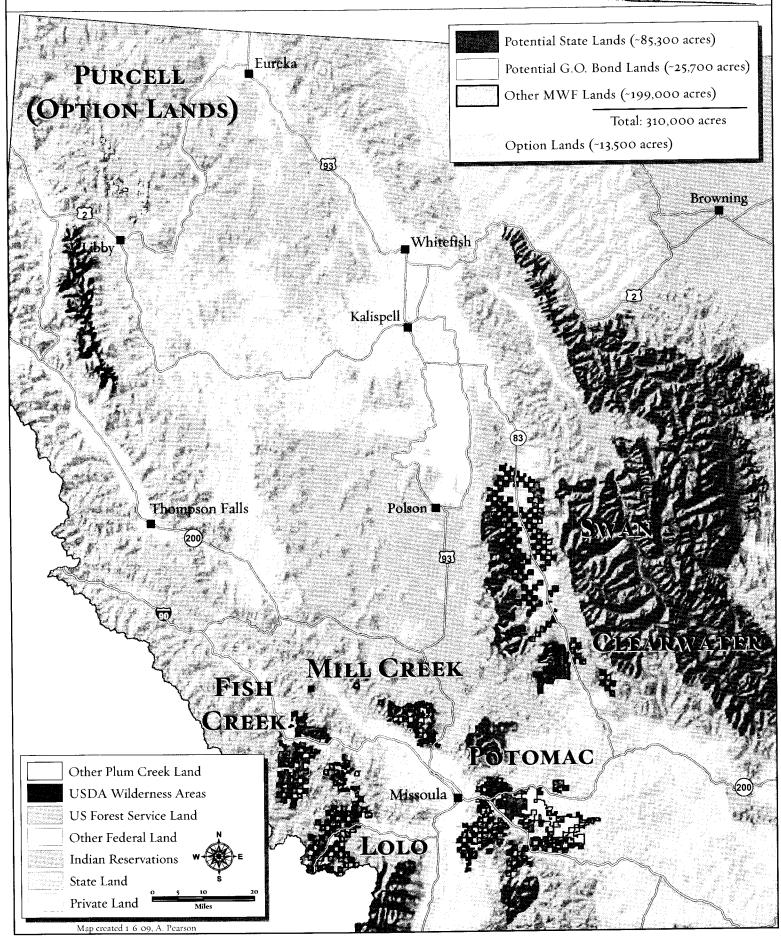
The Nature Conservancy	TRUST PUBLIC	
Protecting nature. Preserving life."	IND	
Protecting flature, Preserving life.		

MONTANA WORKING FORESTS

BILL NO. 185 6 14

SENATE NATURAL RESOURCES



Montana Working Forests Project Table of Contents

<u>Maps</u>

-Montana Working Forests -Possible Harvest Stands- Potomac

Fact Sheets

-Introduction
-State Acquisitions
-Recreational Access
-Wildlife & Conservation
-Property Taxes
-History and Conclusion

Legislation

-House Bill No. 669
-Fiscal Notes
-House Bill No. 674
-Fiscal Notes

Polling

-Key findings on statewide survey on the Montana Working Forests Project

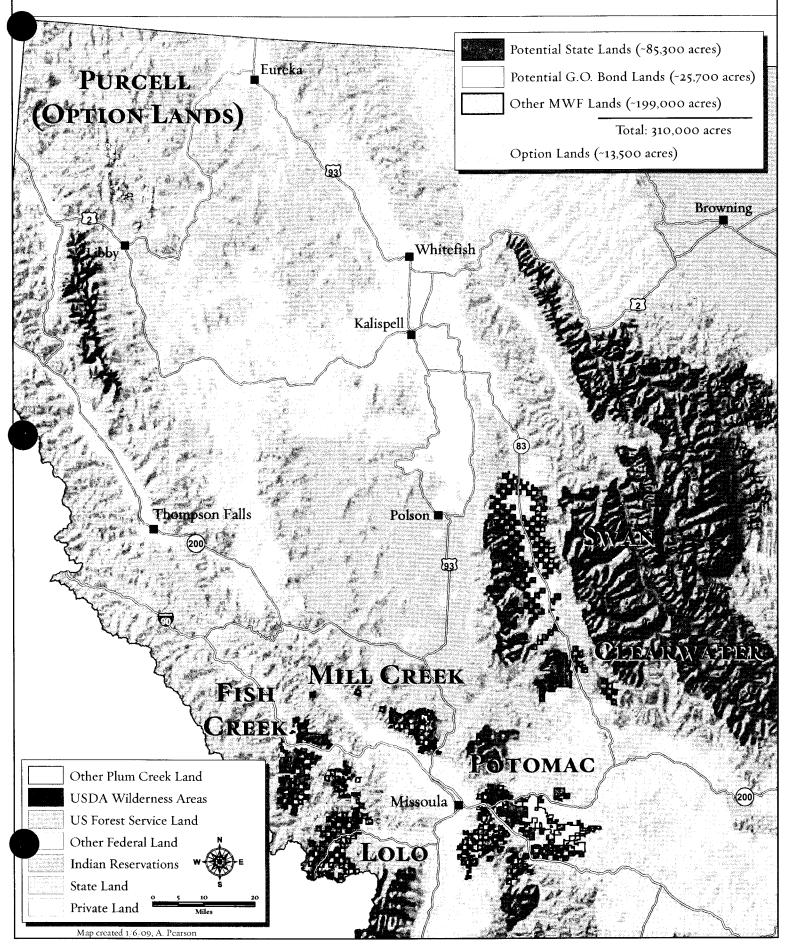
Addenda

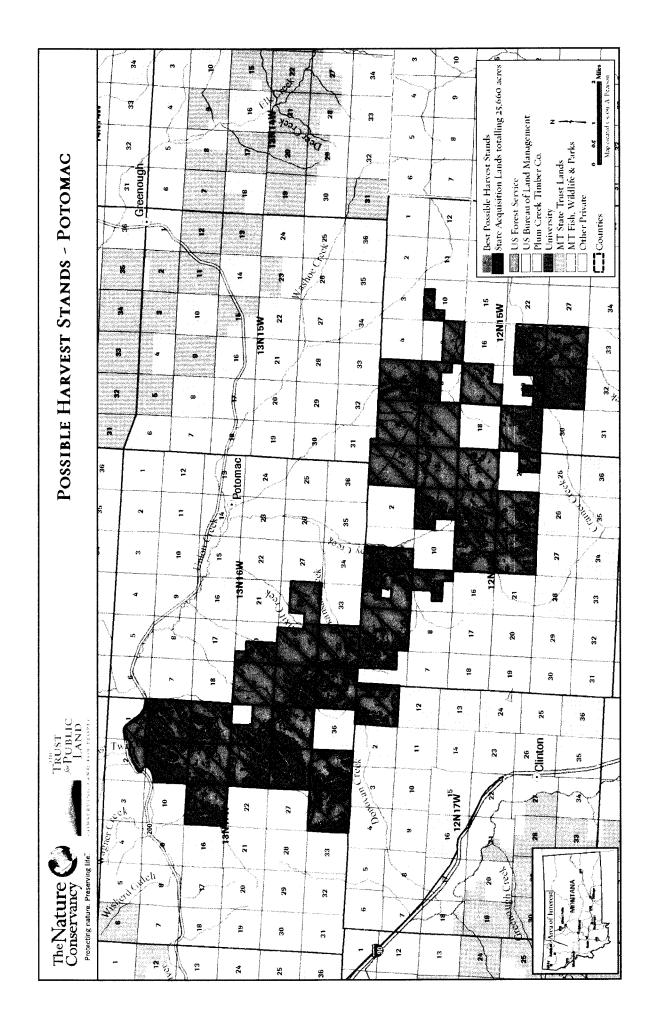
-Land Acquisition Financial Appraisal-Return on Assets- Montana State Land Trusts

<u>Supporters</u>
-Letters of support



MONTANA WORKING FORESTS





A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

Introduction

Montana's vast, working forests are vital to our state's economy, our wildlife and our way of life. Now, the State of Montana has an opportunity to keep these forests intact through the purchase of 111,000 acres of former Plum Creek Timber Company lands in an effort known as the Montana Working Forests Project.

Purpose

- Preserve vital wildlife habitat and water resources
- Conserve traditional public access for hunting, fishing, snowmobiling, hiking and other outdoor recreation opportunities
- Keep Montanans working in the woods and timber in local mills

Opportunity

The state's purchase of these lands, part of the larger 310,000-acre project, is crucial for the preservation of timber harvesting, tourism and recreation – three important drivers of western Montana's economy. State purchase would consolidate ownership and management of these lands in a way that meets community needs and minimizes the high costs of unwise development. These lands could be owned and managed through the Montana Department of Natural Resources and Conservation and the Montana Department of Fish, Wildlife and Parks for the benefit of all Montanans.

Partners

The partners in this effort, The Nature Conservancy and The Trust for Public Land, reached an agreement earlier this year with Plum Creek to purchase approximately 310,000 acres of timberland for \$500 million. The purchase will take place in three phases, with the first closing scheduled for December 2008 and the final closing in December 2010.

While the Conservancy and TPL will own the lands temporarily, ultimately, all 310,000 acres will be conveyed into a mix of federal, state and private ownership. The 2008 Farm Bill included \$250 million to purchase lands to be owned and managed for the public through the U.S. Forest Service. Many of the lands slated for Forest Service ownership are currently checkerboarded within and adjacent to existing National Forest lands. Lands sold into private ownership will have conservation easements that will restrict undesirable development and provide for sustainable timber harvest and public access.

Timber Production

An important part of the overall project is an agreement to provide timber from the project lands to Plum Creek mills. Beginning in 2009, a Fiber Supply Agreement (FSA) between Plum Creek and the purchasing partners will provide for the harvest of approximately 92 million board feet of merchantable timber over a 10-year period. Plum

Creek will be required to pay market prices for the timber and the proceeds from the timber sales will be used to cover the harvesting costs and restoring the land. After the terms of the FSA are satisfied, timber and other wood fiber would then be available to other independent mills. At the current rate of regeneration, approximately 29 million board feet of new timber growth accumulates annually on these lands.

Recreation and Conservation

Timber production on these lands is compatible with two other important needs for these lands, recreation and conservation. Plum Creek, during its ownership of these lands, allowed public access for hunting, fishing, hiking and other outdoor recreation. The goal of this project would be to preserve that access for future generations of Montanans. Keeping these lands intact as working forests would also serve to maintain the rich habitat for the area's diverse wildlife.

12-4-08

A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

State Acquisitions - Reinvesting in Montana

Land is a good investment, especially in these unstable economic times. As Will Rogers said: "Buy land—they ain't making any more of it." The opportunity to purchase a lot of land at one time is a unique opportunity for the state and a wise investment for the long run. As part of the effort known as the Montana Working Forests Project, the State of Montana has the opportunity to acquire 111,000 acres of forest land for \$100 million at an average price of approximately \$900 per acre. Currently, the state values its forest land at an average price of \$1,479 per acre. The state's purchase of these lands would result in the state immediately realizing an appreciation of 50 percent or more in asset value, or about \$50 million

Wood Products Industry

State lands are a steady, reliable source of wood for Montana mills. With an additional 111,000 acres of high-quality forest land, the state reinforces its long-term ability to contribute to the timber industry, retains opportunities for Montanans working in the woods, and helps provide income to the schools. Montana's timber industry has experienced tumultuous changes due to a changing marketplace, international competition, mechanization, the pendulum swing of Federal supply and a host of other issues. No one has a crystal ball that can predict the future for the wood products industry in Montana. But it's clear that for social, environmental and economic reasons, Montanans want and need this industry. One need only look at other western states that have lost such an infrastructure to see the adverse consequences. An additional 111,000 acres of working forests held in trust by Montanans for Montanans will help ensure that the state's wood products industry infrastructure survives well into the future.

For any forest lands acquired by the Department of Natural Resources and Conservation (DNRC), a recalculation of the existing sustained yield timber harvest could occur, resulting in as much as 10 million board feet of additional annual harvest from state forest lands (Montana law, codified as MCA 77-5-221 through 77-5-223, governs the re-calculation process). At current timber stumpage values, this equates to approximately \$2 million annually in additional distributable revenue for schools. According to the University of Montana Bureau of Business & Economic Research, an additional annual timber harvest of 10 million board feet could potentially equate to about 230 direct and indirect timber industry and support jobs.

Restoration opportunities

Working forests are obviously not just important for the products they provide. Well-managed forests provide valuable services such as protecting clean water, providing for abundant fisheries and creating habitat for wildlife. From an economic perspective, the value of these environmental services can be hard to calculate, but the importance of these resources to Montanans is clear.

Across the western United States and right here in Montana there is a growing and coordinated effort to create a sustainable restoration economy. Restoring forest health and productivity is part of this effort. But this endeavor goes beyond that. Creating a durable restoration economy will require integrating urban, rural and ecological restoration. These lands could play a key role in helping this still young, but rapidly growing, economic engine move forward.

A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

Recreational Access

The Montana Working Forests Project seeks to protect the very thing that keeps people living in Montana: our ability to recreate and enjoy the vastness of Big Sky Country. We can go elsewhere and find higher paying work, but would we be able to walk, snowmobile, fish, hunt and ride across a land so big that it puts your whole life in perspective? Our kids don't have to wait for the annual family vacation to watch black bears feeding on fall berries, or toss a line into the water, or set up a tent at the end of the dirt road.

Some of our most precious, and most popular, recreation lands are up for grabs, available at bargain prices to out-of-state buyers who do not share our community values. We have an opportunity to invest in these lands, by Montanans and for Montanans. Places like the valley bottom lands along the Swan River where private development would choke off access and compromise fish habitat, or lands in the Fish Creek watershed, where folks have a chance to see moose, elk and bear while out exploring. They are lands in the foothills above the Potomac Valley that beckon us for a Sunday drive, or maybe an early fall grouse hunt.

Research conducted by the University of Montana Institute for Tourism & Recreation Research shows that these very activities—wildlife watching, day hikes and sightseeing—are the top activities for both non-resident visitors on vacations and for Montanans enjoying the place they choose to live.

For generations, Plum Creek and its predecessors have allowed the public to access its lands for recreational purposes. The Montana Working Forests Project seeks to continue that access for hunting, snowmobiling, berry picking, wildlife viewing, fishing, hiking and other recreation activities Montanans value as part of their outdoor lifestyle.

Montana Recreation Revenues

Montana residents and non-residents spent more than \$753 million on hunting and fishing alone in Montana in 2006, according to the U.S. Census Bureau. It is a segment of our economy that requires us to sustain our landscapes by keeping them intact and managing them well. Just one hunting unit in western Montana alone – Unit 292 in the southwestern part of the Blackfoot basin – saw more than 28,000 deer and elk hunter days in 2007. A U.S. Department of Commerce report indicates that each hunting day in Montana produces \$145 in total expenditures—that translates into more than \$4 million dollars in spending by those hunters in Unit 292 in just one autumn's hunting season. More than 50,000 acres of this hunting unit (much of it highly developable) is now available for conservation through the Montana Working Forests Project. State purchase of 111,000 acres of Plum Creek lands would allow continued recreational access along side sustainable timber production, and like other state-owned forest land, timber harvest on these lands is compatible with recreation such as hunting and fishing.

A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

Wildlife & Conservation

Conservation of western Montana's vast forested landscape, home to some of North America's most pristine waters and iconic wildlife, is an important goal for Montana. Keeping these forests intact is not only critical for wildlife, but also for our state's timber and recreation-based economy and our way of life. Montana has a unique opportunity to conserve this important resource by purchasing 111,000 acres of former Plum Creek Timber Company lands and managing them for the benefit of all Montanans.

Montana's Wildlife Heritage

Montanans agree that our state harbors one of the richest assortments of iconic wildlife species in the lower 48 states. The same wildlife species that Lewis and Clark observed when they explored the region some 200 years ago are still found here today. The region hosts the full complement of North American predators, including grizzly bear, Canada lynx, mountain lion, black bear, wolverine, bobcat, fisher and marten, as well as ample populations of elk, deer, moose and pronghorn. This abundance of wildlife is our heritage, important to our psyche, our livelihoods and future generations of Montanans.

To protect our wildlife populations, we need to prevent fragmentation and degradation of our forests, mountains, valleys, rivers and in-between spaces that provide food and security to our wildlife populations. Unbridled development and sprawl chop up the land expanses our large carnivores need to survive. People need homes, but homes can be built in places that do not directly harm Montana's irreplaceable wildlife. Wildlife and existing communities benefit when we cluster our development, preserving our intact landscapes and keeping our land use options open for the future.

Montana's Opportunity

Montanans have the chance to protect habitat in several areas important to some of Montana's threatened species. An important area for state land purchase includes the checkerboard lands in the Swan River State Forest, where Canada lynx, grizzly bears, bull trout, and other threatened species have viable and vibrant populations and big game and other wildlife species are free to roam. Also available for state purchase are lands in the Garnet Mountains near Potomac in the Blackfoot Valley and the Seeley Lake area of the Clearwater Drainage. These areas are home to some of the most important Canada lynx populations in the Lower 48. These two areas are separated by Highway 200 and the Potomac Valley, so maintaining a wildlife linkage area here is critical to lynx survival. Another area is Fish Creek in Mineral County. It is *the* highest quality bull trout spawning habitat in the Lower Clark Fork River system, and is a travel route for elk and other wildlife.

Through state ownership, Montanans would preserve working forests and healthy habitat for the area's diverse wildlife. Healthy wildlife habitat is critical not only to our state's recreational economy, but to our way of life. We need to keep Montana Montana so our kids and grandkids will be able to hunt, hike and fish, and enjoy our wild heritage.

A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

Property Taxes

How will the Montana Working Forests Project impact tax revenues in each of the affected counties?

Headwaters Economics of Bozeman, Montana, a nonprofit regional economic research group, is conducting an analysis to help answer this question. In addition to looking at the project's tax implications, Headwaters is also conducting two in-depth, countywide fiscal impact analyses in Lake and Mineral Counties to determine how much county tax revenues will change, either through state purchase or anticipated growth and development. When completed, the assessment will be peer-reviewed by an independent third party to ensure that it is rigorous and accurate.

Until the final disposition of the lands is worked out, it is impossible to predict the long-term tax picture for each county. What we do know, however, is that if these lands were to be sold on the open market and developed into rural residential subdivisions, the counties would most likely realize a net fiscal loss due to increased costs of services such as roads, fire protection and law enforcement. Whatever the scenario, the partners in the Montana Working Forests Project are committed to working on a county-by-county basis to figuring out specific tax impacts of these choices and finding creative solutions.

Montana's Private Forest Land Tax Structure

Montana's forest lands are taxed at a preferential rate based on the productivity class of the timber, not the market value of the land. This is important because it keeps our working lands in business, but also means that local governments receive a smaller tax benefit from timber than from developed land. Tax receipts on Montana forest lands range from \$1.10 to \$1.50 per acre depending on the local mill levy and productivity class.

In addition, forest landowners are assessed a fire protection fee, which provides funding for the Montana Department of Natural Resources and Conservation (DNRC) to suppress wildfires on these private forestlands. This fee is currently \$0.22 per acre for all Plum Creek lands, including those to be acquired through this project.

State of Montana and Property Taxes

Lands conveyed to the State of Montana, DNRC Trust Land Division, will remain in active timber production, providing jobs in communities and revenue to schools. The lieu portion of tax for state lands is part of county entitlement payments from the state. The DNRC provides direct protection for fire, so its lands are not assessed. To help address the potential revenue shortfall due to state purchase of these lands, The Nature Conservancy and The Trust for Public Land are committing to (1) pay the equivalent amount of taxes that Plum Creek has paid while the land is in interim ownership; and (2) work with each county to examine long term tax implications of this project and try to find creative solutions.

A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

History and Conclusion

Western Montana's culture is defined by its rugged landscape, snow-capped peaks, rich wildlife and abundant natural resources. Over the last century, hardy men and women cut timber, mined gold and other minerals, built ranching operations and subsisted on the bounty of the land. They hunted, they fished and they worked in the woods. They are part of the lore of the Wild West.

In many parts of the West, this way of life no longer exists. The wood products industry, and the rural tradition and culture that accompany it, is in flux because of national and international economic trends, land management policies, population growth and other factors. As a result, we are witnessing a transformation of western Montana's economic traditions and an erosion of the rural quality of life. Community leaders today are facing difficult choices—like how to deal with the growth that is inevitable—that will affect the character of our communities for decades to come. The Montana Working Forests Project is an effort to provide communities with an opportunity to balance growth and maintain the Montana way of life that we all cherish.

A complicated history of land ownership

Current trends are influenced by the history of land ownership in the West. In 1864, President Abraham Lincoln granted some 40 million acres of land to the Northern Pacific Railroad to finance railroad construction throughout the West. The "railroad" lands were mixed in a checkerboard pattern with federal lands. In western Montana, ownership of the "railroad" lands eventually went to timber production companies, including Champion International and more recently, Plum Creek Timber Company.

Currently, Plum Creek owns approximately 1.2 million acres of western Montana forest lands, most of it in 640-acre, or one-square-mile, blocks that are intermixed with public lands. This ownership pattern results in stark contrasts in management, timber harvesting, weed control and wildlife habitat across the landscape. One thing that has been consistent is that Plum Creek has provided public access to these lands for recreation.

In recent years, the timber economy has receded and land prices in these scenic areas have skyrocketed as people have moved here to build their dream homes in the woods. In part to capitalize on this trend, Plum Creek reorganized as a Real Estate Investment Trust, essentially converting from a timber to a real estate company.

As a result of this national trend in timberland divestment, public concern has mounted. Many people, from rural residents to county governments and from hunters and fisherman to snowmobilers worry that the logging roads leading into relatively remote mountainous lands could be the pathways for inappropriate housing development. This

trend toward rural, backcountry sprawl is widely recognized as a national phenomenon. In Montana, this trend will lead to the loss of public access for recreation, the loss of working forest, increased costs of providing community services, loss of wildlife habitat, and the undoing of western Montana's rural way of life.

Keeping Montana, Montana

Several local, collaborative efforts have attempted to address these threats by purchasing vast amounts of Plum Creek lands and conveying them into traditional uses. In Montana's Blackfoot Valley, a landowner group known as the Blackfoot Challenge worked with The Nature Conservancy and many public and private partners to purchase 89,000 acres of Plum Creek lands. The Challenge wanted to keep the Blackfoot Valley's rural culture and wildlife habitat and knew that the sale and development of these midelevation lands ringing the valley would be the downfall of the area's lifestyle and ranching economy. Currently, these lands are being re-sold to public agencies and private landowners with conservation easements in place to protect current uses of the land.

In the Thompson and Fisher river valleys in northwestern Montana, The Trust for Public Land worked with Montana Fish, Wildlife and Parks to purchase conservation easements from Plum Creek on over 140,000 acres of land. In addition to permanently securing access for the public to hunt, fish, hike, and camp, the easements eliminate all current and future development threats, and carry conditions for maintaining sustainable forestry in the valleys, ensuring that vital timber jobs and the local forest-based economy are not adversely affected.

Keeping working forests, working

Now a much larger 310,000-acre purchase of Plum Creek land is being worked out. The project's goals are to keep our working forests intact, keep our forests involved in producing timber, and preserve our local economies, wildlife habitat and way of life.

The partners in this project, The Nature Conservancy and The Trust for Public Land, will temporarily own the land, but eventually re-sell it to state and federal agencies and private interests with conservation easements attached. The State of Montana has an opportunity to be a key partner. The Montana Working Forests Project seeks to facilitate the purchase of 111,000 acres of these lands for the benefit of all Montanans.

More than the particular acres involved in the purchase, this project represents a step toward protection of a way life that is disappearing, and it represents a future that honors western Montana tradition and history. Prosperous, healthy communities are maintained by striking an appropriate balance between growth and the preservation of community assets. Working forests convey a multitude of benefits – recreational access to fish, hunt, hike, four-wheel, snowmobile and more; clear rivers, streams and lakes; essential wildlife habitat for an incredible array of animals; a sustainable supply of wood products; a landscape to simply observe and admire. These benefits are only possible through intact forestlands.

An unplanned and scattered handful of homes or subdivisions can fragment a working forest into isolated tracts that prevent recreational access, degrade water quality, destroy wildlife habitat and corridors, disrupt the entire landscape parcel by parcel, and preclude responsible management of forests and timber harvests.

This project would consolidate ownership and management of these lands in a way that meets community needs and preserves the working forests they depend on for recreation, tourism and logging. It also would preserve the low-elevation forests, pristine lakes, wetlands and valleys that serve as wildlife migration routes and seasonal refuges. It's these low elevation lands that are most susceptible to development.

This isn't a wilderness project—but it could have a profound effect on the wild lands and species that depend upon them. It's also not a timber project—but it aims to ensure that these lands, full of potential, remain open for future sustainable management activities and restoration. What this effort does, more than anything else, is provide communities with an opportunity to become involved in the breathtaking challenge of maintaining prosperous, healthy communities.

12-4-08

ı	HOUSE BILL NO. 669
2	INTRODUCED BY C. VINCENT
3	BY REQUEST OF THE HOUSE NATURAL RESOURCES STANDING COMMITTEE
4	
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A DISTRESSED WOOD PRODUCTS INDUSTRY
7	REVOLVING LOAN PROGRAM; GRANTING RULEMAKING AUTHORITY; AUTHORIZING A LOAN
8	APPLICATION FEE; REQUIRING OUTCOME MEASURES; PROVIDING A STATUTORY APPROPRIATION
9	AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	
13	NEW SECTION. Section 1. Revolving loan program for distressed wood products industry
14	finding. (1) Due to the current, well-documented decline in the wood products industry in Montana, the legislature
15	finds that there is a need to assist the Montana wood products industry as a whole through a revolving loan
16	program.
17	(2) There is a special revenue account called the distressed wood products industry revolving loan
18	account to the credit of the department of commerce.
19	(3) The distressed wood products industry revolving loan account consists of money deposited into the
20	account from an appropriation in House Bill No. 645 and money from any other source. Any interest earned by
21	the account and any interest that is generated from a loan repayment must be deposited into the account and
22	used to sustain the program.
23	(4) (a) Funds from the distressed wood products industry revolving loan account may be loaned to:
24	(i) individuals, including private contractors related to the wood products industry;
25	(ii) businesses defined as small businesses pursuant to the regulations promulgated by the United States
26	small business administration pursuant to 13 CFR 121, et seq.; and
27	(iii) units of local government.
28	(b) Small businesses that may be eligible for loans include but are not limited to sawmills, plywood
29	plants, paper and linerboard manufacturers, bark and byproducts-related businesses, round wood producers,
30	wood chip processors, loggers, log haulers, biochar and biomass producers, and other innovative manufacturers

1	and processors of wood products.
2	(5) Loans must be used to sustain and grow the wood products industry in Montana. Loans may be used
3	for:
4	(a) the purchase or lease of land or equipment;
5	(b) updating infrastructure, including retrofitting of infrastructure to facilitate new uses;
6	(c) marketing or advertising;
7	(d) debt service;
8	(e) matching funds for grants or other loans that comply with the intent of this section; or
9	(f) any other use the department determines would sustain and grow the wood products industry.
0	(6) (a) A loan may not exceed \$2 million and the loan must be repaid within 15 years.
1	(b) A loan recipient may apply for another loan pursuant to this section 2 years or more after the date
2	the previous loan was approved.
13	
14	<u>NEW SECTION.</u> Section 2. Administration of revolving loan account rulemaking authority. (1)
15	The department of commerce shall adopt rules to implement [sections 1 through 4] establishing:
16	(a) eligibility criteria, including criteria for defining capital investments, feasibility to create and retain jobs,
17	financial capacity to repay the loans, estimated return on investment, and other matters that the department
18	considers necessary to ensure repayment of loans and to encourage maximum use of the account;
19	(b) processes and procedures for disbursing loans, including the agencies or organizations that are
20	allowed to process the loan application for the department;
21	(c) terms and conditions for the loans, including repayment schedules and interest; and
22	(d) a loan application fee.
23	(2) The department shall solicit assistance in the development and operation of the program from
24	individuals familiar with financial services and persons knowledgeable in the wood products industry.
25	(3) Loans must be made at a low interest rate. The department may set the interest rate at an amount
26	that will cover its administrative costs, but the rate may not be less than 1% a year. The department may seek
27	recovery of the amount of principal loaned in the event of default.
28	
29	NEW SECTION. Section 3. Outcome measures. (1) The department of commerce shall develop

30

reasonable outcome measures by which the success of the distressed wood products industry loan program

provided for in [sections 1 through 4] must be measured on an annual basis. Minimal outcome that must be 1 2 measured includes: 3 (a) a loan loss ratio of under 5%; 4 (b) the uses of loan funds that provided the best overall results; and 5 (c) a determination of the overall success of the loan program, including but not limited to the number 6 of jobs created or retained, pay levels, financial status, reports on project activities, the growth of a local economy, 7 and the taxable value of property or equipment. 8 (2) The department may require information from entities receiving loans in order to measure outcome. 9 10 NEW SECTION. Section 4. Use of funds -- statutory appropriation. Money in the distressed wood products industry revolving loan account is statutorily appropriated, as provided in 17-7-502, for the purpose of 11 12 administering [sections 1 through 3]. 13 14 Section 5. Section 17-7-502, MCA, is amended to read: 15 Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the 16 17 need for a biennial legislative appropriation or budget amendment. 18 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both 19 of the following provisions: 20 (a) The law containing the statutory authority must be listed in subsection (3). 21 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory 22 appropriation is made as provided in this section. 23 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 24 25 10-4-301; 15-1-121; 15-1-218; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 26 27 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506;

28

29

30

19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202;

23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501;

39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108;

1	53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 77-1-108
2	77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; [section 4]; 90-1-205
3	90-3-1003; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; and pursuant to sec. 6, Ch. 2, Sp. L. September 2007, the inclusion of 76-13-150 terminates June 30, 2009.)"

<u>NEW SECTION.</u> **Section 6. Codification instruction.** [Sections 1 through 4] are intended to be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 1 through 4].

<u>COORDINATION SECTION.</u> **Section 7. Coordination instruction.** If House Bill No. __ [LC 2344] is not passed, then [this act] is void.

NEW SECTION. Section 8. Effective date. [This act] is effective on passage and approval.

- END -





Fiscal Note 2011 Biennium

☐ Included in the Executive Budget ☐ Significant Long-Term Impacts ☐ Dedicated Revenue Form Attached FISCAL SUMMARY							

State Special Revenue	\$7,300,000	\$0	\$0	\$0
	\$7,308,261	\$191,738	\$196,531	\$201,445
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$7,713,343	\$284,457	\$284,457	\$284,457
Net Impact-General Fund Balance:	(\$7,500,000)	\$0	\$0	\$0

\$7.500.000

Description of fiscal impact: This bill creates a distressed wood products industry revolving loan program in the Department of Commerce with funding primarily provided for in HB 645. HB 669 is contingent upon passage and approval of HB 645 and the funding contained therein; at the current time HB 645 contains funding in the amount of \$7.50 million for the program envisioned in the bill.

FISCAL ANALYSIS

Assumptions:

Expenditures: General Fund

Department of Commerce (DOC):

- 1. The bill creates a revolving loan program in the Department of Commerce to address the distressed wood products industry.
- 2. To implement the provisions contained in the bill, the Department of Commerce would require 2.00 FTE at an estimated cost of \$136,743 in FY 2010 and \$138,223 in FY 2011. Associated operating costs are estimated to be \$60,090 in FY 2010 and \$53,515 in FY 2011. FY 2012 and FY 2013 administrative costs including personal services are inflated by 2.50%.
 - For the purposes of this fiscal note, the department estimates that \$7.11 million will be loaned out by September 30, 2009 at an average interest rate of 4% at varying terms not to exceed 15 years. There may be

some periods involving deferrals of interest, which is calculated into the 4% estimated and it is further assumed that interest only, not principal, would be collected in the time periods proposed in this fiscal note.

	FY 2010 Difference	FY 2011 Difference	FY 2012 <u>Difference</u>	FY 2013 <u>Difference</u>			
Fiscal Impact:							
FTE	2.00	2.00	2.00	2.00			
Expenditures:							
Personal Services	\$136,743	\$138,223	\$141,679	\$145,221			
Operating Expenses	\$60,090	\$53,515	\$54,853	\$56,224			
Operating Expenses (LOANS	\$7,111,428	\$0	\$0	\$0			
Transfers	\$7,500,000	\$0	\$0	\$0			
TOTAL Expenditures	\$14,808,261	\$191,738	\$196,531	\$201,445			
Funding of Expenditures:							
General Fund (01)	\$7,500,000	\$0	\$0	\$0			
State Special Revenue (02)	\$7,308,261	\$191,738	\$196,531	\$201,445			
TOTAL Funding of Exp.	\$14,808,261	\$191,738	\$196,531	\$201,445			
Revenues:							
General Fund (01)	\$0	\$0	\$0	\$0			
State Special Revenue (02)	\$7,713,343	\$284,457	\$284,457	\$284,457			
TOTAL Revenues	\$7,713,343	\$284,457	\$284,457	\$284,457			
Net Impact to Fund Balance (Net Impact to Fund Balance (Revenue minus Funding of Expenditures):						
General Fund (01)	(\$7,500,000)	\$0	\$0	\$0			
State Special Revenue (02)	\$405,082	\$92,719	\$87,926	\$83,012			

Technical Notes:

1. Section 1. (4)(a)(ii) refers to federal 13 CFR121 for the definition of small businesses by the Small Business Administration limiting those eligible for program funding. The Small Business Administration uses a variety of sales limits and job limits depending on the business activity under the North American Industry Classification System Codes (NAICS). This may have an effect of making some companies that are the target of the program ineligible and some industries that may have been considered ineligible may be eligible for funding under the program. Until specific applicants submit business plans it is not possible to determine how this requirement will affect their eligibility. For example:

NAICS 111421 - Nursery and Tree Production - maximum sales for eligibility is \$750,000

NAICS 113110 - Timber Tract Operations - maximum sales \$7 million

NAICS 113210 - Forest Nurseries and Gathering of Forest Products - \$7 million in sales maximum

NAICS115310 - Support Activities for Forestry - maximum sales for eligibility is \$7 million

NAICS 322110 - Pulp Mills - maximum employment 750 jobs

NAICS 322121, 322130 - Paper Mills and Paperboard Mills - maximum 750 jobs

2. The Department of Commerce has applied to the U.S. Department of Commerce, Economic Development Administration for \$2.7 million in federal funds to add to the distressed wood products revolving loan program and there are early indications that the EDA funding will be awarded for this purpose. There is no provision in HB 669 providing the department the ability to segregate the required \$2.7 million in

matching funds from the amount appropriated in HB 645 for the federal award from the remaining funding proposed in this bill. As a result, the department would either have to turn down the EDA grant if awarded or include the EDA funding with all of its federal requirements into the state distressed wood products revolving loan fund. There is the potential for a number of conflicting requirements between the state revolving loan fund program described in HB 669 and the federal EDA revolving loan fund program, if received and accepted.

3. A loan loss ratio of 5% would require the Department of Commerce to take minimal risks in making loans and limit the loans made to highly feasible wood products companies and not distressed companies needing assistance not otherwise available from private sector sources.

Sponsor's Initials

Date

Budget Director's Initials

Date

) 1	HOUSE BILL NO. 674
2	INTRODUCED BY C. VINCENT
3	BY REQUEST OF THE HOUSE NATURAL RESOURCES STANDING COMMITTEE
4	
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATING TO CERTAIN STATE
7	LANDS; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL
8	OBLIGATION BONDS FOR PURCHASE AND MANAGEMENT OF REAL PROPERTY AND APPURTENANCES
9	FOR SUSTAINABLE FOREST MANAGEMENT, RECREATIONAL USE, AND INCOME-GENERATING
10	
11	OF REAL PROPERTY AND APPURTENANCES FOR SUSTAINABLE FOREST MANAGEMENT,
12	
13	
14	
15	
16	ACQUISITIONS FOR THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; REQUIRING THE DEPARTMENT
17	
18	PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 17-5-803, 17-7-502, 87-1-209, AND
19	87-1-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
20	
21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22	
23	NEW SECTION. Section 1. Public school land acquisition account. (1) There is a public school land
24	acquisition account in the state special revenue fund established in 17-2-102. The account must be administered
25	by the department.
26	(2) Money in the account may be used only for the purpose of purchasing and managing interests in and
27	appurtenances to real property in accordance with [section 2].
28	(3) After deductions are made pursuant to 77-1-109 and 77-1-613, the net interest and income earned
29	on real property and appurtenances purchased with funds from the account must be distributed to the school
30	facility improvement account provided for in 20-9-516

_		
1	ı	

- NEW SECTION. Section 2. Public school land purchases -- considerations -- distributions. (1) The board may request the board of examiners to issue bonds for the purpose of purchasing interests in and appurtenances to real property selected by the board in accordance with the requirements of this section. Upon issuance of the bonds, the board shall purchase the real property and its appurtenances.
 - (2) Prior to requesting the issuance of bonds under subsection (1), the board shall consider the following:
 - (a) the income-generating potential of the real property and appurtenances;
- (b) the opportunity for sustainable forest management activities and outcomes as described in 76-13-701 and 76-13-702; and
- (c) the opportunity for recreational use of the real property and appurtenances consistent with Title 77, chapter 1, part 8.
- (3) Prior to requesting the issuance of bonds, the board or the department, at the board's direction, shall complete a cost-benefit analysis of potential real property and appurtenance purchases. This cost-benefit analysis must be made available to the public upon request.
- (4) Prior to purchasing any real property and appurtenances, the board shall determine that the benefits of the purchase are significant and that the financial risks are prudent. In order to reach that determination, the board shall examine the purchase of any real property and appurtenances as if the board had a fiduciary duty as a reasonably prudent trustee of a perpetual trust. For the purposes of this section, that duty requires the board to:
- (a) discharge its duties with the care, skill, and diligence that a prudent person acting in a similar capacity with the same resources and familiar with similar matters should exercise in the conduct of an enterprise of similar character and aims;
- (b) manage the land holdings purchased pursuant to [section 1] and this section in accordance with an asset management plan to minimize the risk of loss and maximize the sustained rate of return;
 - (c) discharge its duties and powers solely in the interest of and for the benefit of the trust; and
 - (d) discharge its duties subject to the fiduciary standards set forth in 72-34-114.
- 27 (5) All interests in real property and appurtenances acquired under this section must be managed pursuant to Title 77.

NEW SECTION. Section 3. Offsetting purchases. To the extent practical and consistent with the



board's powers and duties pursuant to 77-1-202, the board shall offset purchases made pursuant to [sections 1 and 2] by selling an equal amount of land.

Section 4. Section 17-5-803, MCA, is amended to read:

"17-5-803. Form -- principal and interest -- fiscal agent -- bond registrar and transfer agent -- deposit of proceeds. (1) Subject to the limitations contained in this part and in the bond act and in the furtherance of each bond act, bonds may be issued by the board upon request of the department. The bonds may be issued in the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with provisions for conversion or exchange, and for the issuance of temporary bonds bearing interest at a rate or rates, maturing at times not exceeding 30 years from date of issue, subject to redemption at earlier times and prices and on notice, and payable at the office of the fiscal agency of the state as the board determines.

(2) In all other respects, the board is authorized to prescribe the form and terms of the bonds and do whatever is lawful and necessary for their issuance and payment. Action taken by the board under this part must be by a majority vote of its members. The state treasurer shall keep a record of all bonds issued and sold.

(3) The board is authorized to employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

 (4) The board, in its discretion, is authorized to pay all costs of issuance of bonds, including without limitation rating agency fees, printing costs, legal fees, bank or trust company fees, costs to employ persons or firms to assist in the sale of the bonds, line of credit fees and charges, and all other amounts related to the costs of issuing the bonds from amounts available for these purposes in the general fund or from the proceeds of the bonds.

(5) All <u>Unless otherwise provided in statute authorizing a bond, all</u> proceeds of bonds and notes issued under this part must be deposited in the capital projects account, except that any premiums and accrued interest received and the proceeds of refunding bonds or notes must be deposited in the debt service account."

Section 5. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both



61st Legislature HB0674.01

1 of the following provisions:

- (a) The law containing the statutory authority must be listed in subsection (3).
- (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.
- The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; <u>87-1-603;</u> 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.
 - (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; and pursuant to sec. 6, Ch. 2, Sp. L. September 2007, the inclusion of 76-13-150 terminates June 30, 2009.)"

Section 6. Section 87-1-209, MCA, is amended to read:



- "87-1-209. Acquisition and sale of lands or waters. (1) The Subject to [section 7], the department, with the consent of the commission and, in the case of land acquisition involving more than 100 acres or \$100,000 in value, the approval of the board of land commissioners, may acquire by purchase, lease, agreement, gift, or devise and may acquire easements upon lands or waters for the purposes listed in this subsection. The department may develop, operate, and maintain acquired lands or waters:
 - (a) for fish hatcheries or nursery ponds;
- (b) as lands or water suitable for game, bird, fish, or fur-bearing animal restoration, propagation, or protection;
 - (c) for public hunting, fishing, or trapping areas;
- (d) to capture, propagate, transport, buy, sell, or exchange any game, birds, fish, fish eggs, or fur-bearing animals needed for propagation or stocking purposes or to exercise control measures of undesirable species;
 - (e) for state parks and outdoor recreation;
 - (f) to extend and consolidate by exchange, lands or waters suitable for these purposes.
- (2) The department, with the consent of the commission, may acquire by condemnation, as provided in Title 70, chapter 30, lands or structures for the preservation of historical or archaeological sites that are threatened with destruction or alteration.
- (3) (a) Subject to section 2(3), Chapter 560, Laws of 2005, the department, with the consent of the commission, may dispose of lands and water rights acquired by it on those terms after public notice as required by subsection (3)(b) of this section, without regard to other laws that provide for sale or disposal of state lands and with or without reservation, as it considers necessary and advisable. The department, with the consent of the commission, may convey department lands and water rights for full market value to other governmental entities or to adjacent landowners without regard to the requirements of subsection (3)(b) or (3)(c) if the land is less than 10 acres or if the full market value of the interest to be conveyed is less than \$20,000. When the department conveys land or water rights to another governmental entity or to an adjacent landowner pursuant to this subsection, the department, in addition to giving notice pursuant to subsection (3)(b), shall give notice by mail to the landowners whose property adjoins the department property being conveyed.
- (b) Subject to section 2(3), Chapter 560, Laws of 2005, notice of sale describing the lands or waters to be disposed of must be published once a week for 3 successive weeks in a newspaper with general circulation printed and published in the county where the lands or waters are situated or, if a newspaper is not published in that county, then in any newspaper with general circulation in that county.



61st Legislature HB0674.01

(c) The notice must advertise for cash bids to be presented to the director within 60 days from the date of the first publication. Each bid must be accompanied by a cashier's check or cash deposit in an amount equal to 10% of the amount bid. The highest bid must be accepted upon payment of the balance due within 10 days after mailing notice by certified mail to the highest bidder. If that bidder defaults on payment of the balance due, then the next highest bidders must be similarly notified in succession until a sale is completed. Deposits must be returned to the unsuccessful bidders except bidders defaulting after notification.

- (d) The department shall reserve the right to reject any bids that do not equal or exceed the full market value of the lands and waters as determined by the department. If the department does not receive a bid that equals or exceeds fair market value, it may then sell the lands or water rights at private sale. The price accepted on any private sale must exceed the highest bid rejected in the bid process.
- (4) When necessary and advisable for the management and use of department property, the director is authorized to grant or acquire from willing sellers right-of-way easements for purposes of utilities, roads, drainage facilities, ditches for water conveyance, and pipelines if the full market value of the interest to be acquired is less than \$20,000. Whenever possible, easements must include a weed management plan. Approval of the commission is not required for grants and acquisitions made pursuant to this subsection. In granting any right-of-way pursuant to this subsection, the department shall obtain a fair market value, but the department is not otherwise required to follow the disposal requirements of subsection (3). The director shall report any easement grant or acquisition made pursuant to this subsection to the commission at its next regular meeting.
- (5) The department shall convey lands and water rights without covenants of warranty by deed executed by the governor or in the governor's absence or disability by the lieutenant governor, attested by the secretary of state and further countersigned by the director.
- (6) The Subject to [section 7], the department, with the consent of the commission, is authorized to utilize the installment contract method to facilitate the acquisition of wildlife management areas in which game and nongame fur-bearing animals and game and nongame birds may breed and replenish and areas that provide access to fishing sites for the public. The total cost of installment contracts may not exceed the cost of purchases authorized by the department and appropriated by the legislature.
- (7) The department is authorized to enter into leases of land under its control in exchange for services to be provided by the lessee on the leased land."

NEW SECTION. Section 7. Notice of proposed land acquisitions. (1) For all land acquisitions



- proposed pursuant to 87-1-209, the department shall provide notice to the board of county commissioners in the county where the proposed acquisition is located.
- (2) The notice must be provided at least 30 days before the proposed acquisition appears before the commission for its consent.
 - (3) The notice must include:
 - (a) a description of the proposed acquisition, including acreage and the use proposed by the department;
- (b) an estimate of the measures and costs the department plans to undertake in furtherance of the proposed use, including operating, staffing, and maintenance costs;
- (c) an estimate of the property taxes payable on the proposed acquisition and a statement that if the department acquires the land pursuant to 87-1-603, the department would pay a sum equal to the amount of taxes that would be payable on the county assessment of the property if it was taxable to a private citizen; and
- (d) a draft agenda of the meeting at which the proposed acquisition will be presented to the commission and information on how the board of county commissioners may provide comment.

Section 8. Section 87-1-603, MCA, is amended to read:

"87-1-603. Payments to counties for department-owned land — exceptions. (1) Except as provided in subsection (3), before Before November 30 of each year, the treasurer of each county in which the department owns any land shall describe the land, state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal to the amount of taxes which that would be payable on county assessment of the property were it if it was taxable to a private citizen. The director shall approve or disapprove the request. The director may disapprove a request only if the director finds it to be inconsistent with this section. If the director disapproves a request, the director shall return it with an explanation detailing the reasons for the disapproval to the appropriate county treasurer for correction. If the director approves a request, the director shall transmit it to the department of administration, which shall draw a warrant payable to the county in the amount shown on the request and shall send the warrant to the county treasurer. The warrant is payable out of any funds to the credit of the department of fish, wildlife, and parks. A payment may not be made to a county in which the department owns less than 100 acres. A payment may not be made to a county for lands owned by the department for game or bird farms or for fish hatchery purposes or lands acquired and managed for the purposes of Title 23, chapter 1.

(2) After [the effective date of this act], for every department purchase of land, the department shall notify



the treasurer	in the cou	nty where	land was	purchased.

(3) (a) After [the effective date of this act] and before November 30 of each subsequent year, the treasurer of each county in which the department owns land purchased after [the effective date of this act] shall describe the land, state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal to the amount of taxes that would be payable on county assessment of the property if it was taxable to a private citizen.

(b) The director shall approve or disapprove the request. The director may disapprove a request only if the director finds it to be inconsistent with this subsection (3). If the director disapproves a request, the director shall return it with an explanation detailing the reasons for the disapproval to the appropriate county treasurer for correction. If the director approves a request, the director shall transmit it to the department of administration, which shall draw a warrant payable to the county in the amount shown on the request and shall send the warrant to the county treasurer. The warrant is payable out of any funds to the credit of the department of fish, wildlife, and parks.

(c) All land purchased by the department after [the effective date of this act] is subject to this subsection (3).

(4) The amount to be paid to each county pursuant to this section is statutorily appropriated, as provided in 17-7-502."

NEW SECTION. Section 9. Authorization of bonds. Upon request of the board of land commissioners, the board of examiners is authorized to issue and sell general obligation bonds in an amount not exceeding \$21 million for the purchase of interests in and appurtenances to real property described in [section 2] in addition to the amount of general obligation bonds outstanding or authorized on January 1, 2009. The proceeds from the bonds sold under this section must be deposited in the public school land acquisition account established in [section 1]. The bonds must be sold and issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8.

NEW SECTION. Section 10. Appropriation of bond proceeds. Up to \$21 million is appropriated to the board of land commissioners from the public school land acquisition account from the proceeds of the bonds authorized in [section 9] and investment earnings on the account for the purchase of interests in and appurtenances to real property by the board as authorized in [section 2].



) 1	
2	NEW SECTION. Section 11. Codification instruction. (1) [Sections 1 through 3] are intended to be
3	codified as an integral part of Title 77, chapter 1, part 2, and the provisions of Title 77, chapter 1, part 2, apply
4	to [sections 1 through 3].
5	(2) [Section 7] is intended to be codified as an integral part of Title 87, chapter 1, part 2, and the
6	provisions of Title 87, chapter 1, part 2, apply to [section 7].
7	
8	NEW SECTION. Section 12. Severability. If a part of [this act] is invalid, all valid parts that are
9	severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
10	the part remains in effect in all valid applications that are severable from the invalid applications.
11	
12	NEW SECTION. Section 13. Coordination instruction. If House Bill No [LC 2343] is not passed
13	or if there is not an appropriation in House Bill No. 645 to provide loans to the wood products industry, then this
14	act is void.
15	
16	NEW SECTION. Section 14. Two-thirds vote required. Because [section 9] authorizes the creation
17	of state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of
18	each house of the legislature for passage.
19	
20	NEW SECTION. Section 15. Effective date. [This act] is effective on passage and approval.
21	- END -





Fiscal Note 2011 Biennium

Bill # HB0674		Title: Generall	y revise laws relating to st	ate land
Primary Sponsor: Vincent, Chas		Status: As Introd	luced	
☐ Significant Local Gov Impact ☐ Included in the Executive Budget	✓ Needs to be includ✓ Significant Long-Te		Technical Concerns Dedicated Revenue For	m Attached
Expenditures:	FISCAL S FY 2010 <u>Difference</u>	UMMARY FY 2011 <u>Difference</u>	FY 2012 <u>Difference</u>	FY 2013 <u>Difference</u>
General Fund Bond Proceeds State Special Revenue	\$365,585 \$10,500,000 \$5,630	\$946,750 \$10,500,000 \$6,095	\$1,260,548 \$0 \$6,597	\$1,707,580 \$0 \$7,142
Revenue:				
General Fund Bond Proceeds State Special Revenue	\$0 \$10,500,000	\$0 \$10,500,000	\$0 \$0	\$0 \$0
Net Impact-General Fund Balance:	\$0 (\$365,585)	\$0 (\$946,750)	\$0 (\$1,260,548)	\$258,750 (\$1,707,580)

Description of fiscal impact:

HB 674 allows the Board of Land Commissioners to request the Board of Examiners issue and sell general obligation bonds to generate up to \$21 million for the purchase of fee simple interests in real property. The Department of Fish, Wildlife and Parks (FWP) will make payment in lieu of taxes (PILT) for all land purchases after the effective date of the bill. Revenue from timber will begin accruing in FY 2013.

FISCAL ANALYSIS

Assumptions:

Department of Natural Resource and Conservation (DNRC)

- 1. For the purposes of this fiscal note, it is assumed that all lands purchased are forested and legally accessible.
- 2. The Common Schools will be the sole beneficiary and revenue generated from timber harvest will be deposited in the School Facilities Improvement Account.
- 3. Land purchases will occur in two transactions of the same size. Each will purchase approximately 12,500 acres at \$800 per acre. Exact acreage and price will depend on available funds.
- 4. The first land purchase will occur in the late summer of 2009 with the first bond payment in February 2012. The second land purchase will occur in the spring of 2011 with first bond payment in August 2012.
 - In addition, land acquisition costs are estimated at \$5 per acre (\$65,500) for FY 2010 and FY 2011.

- 6. The land purchased will be combined with all other forested state trust lands and managed under the State Forest Land Management Plan (SFLMP) and all applicable laws and administrative rules (ARM 36.11.401–450). There are currently 481,797 classified forest state trust land acres.
- 7. The lands purchased will have a similar productive capacity and proportion of productive and nonproductive lands as existing forested state trust lands in the Northwestern Land Office and Southwestern Land Office.
- 8. The addition of these lands will result in an immediate and proportional increase in the sustained yield consistent with the most recent sustained yield study. The total acres purchased will be 25,000 acres, which results in a proportional increase in annual sustained yield of approximately 2.25 million board feet (MMBF). (25,000 ac x 150 BF/ac/yr x .60 harvest of growth = 2.25 MMBF/yr).
- 9. The 3-year average stumpage value is \$230/MBF. Therefore, the additional annual sustained yield volume of 2.25 MMBF from the additional 25,000 acres would have an estimated value of \$517,500 annually (2.25 MMBF x \$230/MBF = \$517,500).
- 10. The additional revenue from the first half of the total acquisition (12,500 acres) will be realized beginning FY 2013, due to the time lapse between selling timber and harvesting the timber, which is approximately 18 months. Timber revenue in FY 2013 is estimated to be \$258,750.
- 11. Additional revenue will be deposited into the School Facility Account, 20-9-516, MCA.
- 12. 17-1-508, MCA requires analysis of the statutory appropriation relative to the guidance in 17-1-508 (2), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

		<u>YES</u>	<u>NO</u>
a.	The fund or use requires an appropriation.	X	
b.	The money is not from a continuing, reliable, and estimable source.	X	
c.	The use of the appropriation or the expenditure occurrence is not predictable and reliable.		X
d.	The authority does not exist elsewhere.	X	
e.	An alternative appropriation method is not available, practical, or effective.	X	
f.	Other than for emergency purposes, it does not appropriate money from the state general fund.	X	
g.	The money is dedicated for a specific use.	X	
h.	The legislature wishes the activity to be funded on a continual basis.		X
i.	When feasible, an expenditure cap and sunset date are included.	X	

Department of Administration (DOA)

- 13. There is two separate \$10.5 million bond issues in late summer 2009 and spring 2011 with 20 year terms.
- 14. Debt service and bond issuance costs will be paid from the general fund.
- 15. Interest rates will be 5.0587533% for the Series 2009 and 5.2545835% for the Series 2011.
- 16. Any underwriters discount will be offset by a reoffering premium.
- 17. Bond issuance costs will be \$100,000 in FY 2010 and FY 2011.
- 18. Debt service costs are shown on the chart below.

	FY 2010	FY 2011	FY 2012	FY 2013
Series 2009	265,585	846,750	846,750	846,750
Series 2011			413,798	860,830
Total	265,585	846,750	1,260,548	1,707,580

Department of Fish, Wildlife and Parks (FWP)

- 9. Under HB 674, FWP will continue to make payment in lieu of taxes (PILT) for department owned lands. Lands that are currently exempt will remain exempt.
- 20. HB 674 will establish statutory appropriations for all payments. HB 2 authority will be reduced by a like amount.
- 21. In FY 2008, FWP spent \$486,269 for PILT.
- 22. A decision package (DP 202) in HB 2 requests additional authority of \$94,991 in FY 2010 and \$149,291 in FY 2011 to meet increasing obligations. With the increase, the annual budget would be \$581,260 in FY 2010 (\$486,269 + \$94,991) and \$635,560 in FY 2011 (\$486,269 + \$149,291).
- 23. Payments have increased an average of 8.25% since FY 2002. This average reflects increases in tax values as well as increases for additional acreage acquired.
- 24. The estimate obligation for FY 2012 is \$688,021 (\$635,560 x 1.0825) and FY 2013 is \$744,813 (\$688,021 x 1.0825).
- 25. No land purchases after the effective date of the bill will be exempt.
- 26. The remaining \$4,300,000 of Access Montana is all the funding available for the purchase of new parks.
- 27. Applying 72% of the remaining appropriation in assumption 24 for additional parks would be \$3,096,000 (\$4,094,000 x 0.72). FWP assumes that the average cost of an acre statewide is approximately \$1,100. Approximately 2815 acres (\$3,096,000 / \$1,100) could be purchased for new parks.
- 28. The taxable amount per acre statewide is approximately \$2.00. If 2,815 acres for new parks were purchased, estimated taxes would be \$5,630 (2,815 x \$2.00).
- 29. Using the percentage in assumption 21, the additional statutory authority needed would be \$5,630 in FY 2010, \$6,095 in FY 2011 (\$5,630 x 1.0825), \$6,597 in FY 20 12 (\$6,095 x 1.0825), and \$7,142 in FY 2013 (\$6,597 x 1.0825).
- 0. 17-1-508, MCA requires analysis of the statutory appropriation relative to the guidance in 17-1-508 (2), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

		<u>YES</u>	<u>NO</u>
a.	The fund or use requires an appropriation.	X	
b.	The money is not from a continuing, reliable, and estimable source.		X
c.	The use of the appropriation or the expenditure occurrence is not predictable and reliable.	X	
d.	The authority does not exist elsewhere. Authority is currently in HB2.		X
e.	An alternative appropriation method is not available, practical, or effective. It		
	is difficult to assess and estimate for future biennium and requires a BCD each session in HB2.		X
f.	Other than for emergency purposes, it does not appropriate money from the state general fund.	X	
g.	The money is dedicated for a specific use.	X	
h.	The legislature wishes the activity to be funded on a continual basis.	X	
i.	When feasible, an expenditure cap and sunset date are included.	**	X

				,				
	FY 2010 Difference	FY 2011 <u>Difference</u>	FY 2012 <u>Difference</u>	FY 2013 <u>Difference</u>				
Fiscal Impact:								
Department of Natural Resources and Conservation								
Expenditures:								
Operating Expenses (02)	\$65,500	\$65,500	\$0	\$0				
Capital Purchase - Land	\$10,434,500	\$10,434,500	\$0_	\$0				
TOTAL Expenditures	\$10,500,000	\$10,500,000	\$0	\$0				
Funding of Expenditures:								
Bond Proceeds (05)	\$10,500,000	\$10,500,000	\$0	\$0				
` '	410,000,000	- -						
Revenues: State Special Revenue (02)	\$0	\$0	\$0	\$258,750				
Bond Proceeds (05)	\$10,500,000	\$10,500,000	\$0 \$0	\$0				
TOTAL Revenues	\$10,500,000	\$10,500,000	\$0	\$258,750				
Department of Administration	Ψ10,500,000	Ψ10,300,000		Ψ250,750				
Expenditures:								
Operating Expenses								
Bond Issuance Costs	\$100,000	\$100,000	\$0	\$0				
Transfers (Interest and Principal)	\$265,585	\$846,750	\$1,260,548_	\$1,707,580				
TOTAL Expenditures	\$365,585	\$946,750	\$1,260,548	\$1,707,580				
-	-							
Funding of Expenditures:								
General Fund (01)	\$365,585	\$946,750	\$1,260,548	\$1,707,580				
Department of Fish, Wildlife and Pa	rks							
Expenditures:	I AND							
Operating Expenses								
HB2	(\$581,260)	(\$635,560)	(\$688,021)	(\$744,813)				
Statutory	\$586,890	\$641,655	\$694,618	\$751,955				
TOTAL Expenditures	\$5,630	\$6,095	\$6,597	\$7,142				
Funding of Expenditures:								
State Special Revenue (02)								
Parks Earned Revenue	\$5,630	\$6,095	\$6,597	\$7,142				
Net Impact to Fund Balance (Revenumental Fund (01)		(\$946,750)	<u>s):</u> (\$1,260,548)	(\$1,707,580)				
Bond Proceeds (05)	(\$365,585) \$0	(\$946,730)	(\$1,200,348) \$0	(\$1,707,380) \$0				
State Special Revenue (02)	(\$5,630)	(\$6,095)	(\$6,597)	\$251,608				
State Special Revenue (02)	(\$3,030)	(\$0,073)	(40,571)	Ψ251,000				

Long-Term Impacts:

^{1.} The School Facility Account will have a new ongoing revenue stream. Additional revenue of \$517,500 will be deposited in to the School Facility Account for each year after FY 2013.

Technical Notes:

1. Section 8, subsection (3)(b), states that the Department of Administration is to issue warrants to counties payable out of any funds to the credit of the Department of Fish, Wildlife and Parks. It may be advisable to have the FWP issue the warrants since they are the administering agency of their funds.

Sponsor's Initials

Date

Budget Director's Initials

Date



Dedication of Revenue 2011 Biennium

Public School Land Acquisition Account

17-1-507-509, MCA.

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)
 - No. The State of Montana Common School Trust (K thru 12) is the beneficiary of the dedicated revenue and the State will repay the General Obligation Bonds.
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?
 - GO Bond Resolution specifies that bond proceeds be segregating in a separate fund and invested. This cannot be achieved if bond proceeds were deposited into the General Fund.
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)
 - Yes. Bond Proceeds will be used to purchase forested lands and managed as School Trust Lands. Lands will provide public access and harvested timber for years to come.
- d) Does the need for this state special revenue provision still exist? _X_Yes ___No (Explain)
 - GO Bond Resolution specifies that bond proceeds be segregating in a separate fund and invested. This cannot be achieved if bond proceeds were deposited into the General Fund.
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)

 Legislative intent is mirrored within the GO Bond Resolution so the purpose of the expenditure is maintained.
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)
 - The dedicated revenue fulfills legislative intent, and the fund exists as long as the bond proceeds exist. Bond proceeds are estimated to be spent in full within the 2010/2011 biennium.
- How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)
 - No. GO Bond Resolution specifies that bond proceeds be segregating in a separate fund and invested. This cannot be achieved if bond proceeds were deposited into the General Fund.



Fairbank, Maslin, Maullin & Associates

Opinion Research & Public Policy Analysis

TO:

Interested Parties

FROM:

David Metz

Fairbank, Maslin, Maullin & Associates

Lori Weigel

Public Opinion Strategies

RE:

Key Findings from Statewide Survey on the Montana Working Forests Project

DATE:

October 6, 2008

The bipartisan research team of Fairbank, Maslin, Maullin & Associates (D) and Public Opinion Strategies (R) recently conducted a statewide survey of Montana voters to assess their attitudes toward the Montana Working Forests Project. The results of the survey show strong support, with a 57-percent majority of voters in favor of the Project and supporters outnumbering opponents by well over a two-to-one margin. Support for the Project cuts across demographic and geographic lines within the state electorate, and increases as voters learn more about it. In addition, the survey results show strong voter support for State participation in funding the Project.

Among the specific detailed findings of the survey are the following:

• Montana voters offer strong support for the Montana Working Forests Project. Survey respondents were offered the following description of the Project, and were asked to indicate whether they would support or oppose it:

"The Project is an effort to conserve roughly 320 thousand acres of privately-owned forest land in western Montana, part of one of the largest intact natural areas and wildlife habitats in the continental United States. The Project would have three main goals:

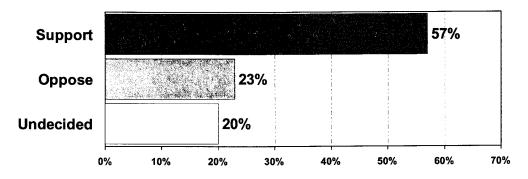
- ✓ Keep sustainable harvesting operations in the forest and timber in our mills;
- ✓ Conserve traditional access for hunting, fishing, snowmobiling and hiking; and
- ✓ Preserve vital wildlife habitat and water resources.

Non-profit conservation organizations would buy the land from the Plum Creek Timber Company for a price of \$510 million. These non-profit organizations would then sell

\$250 million worth of land to the federal government, and \$100 million worth to the State of Montana. The remaining land would be sold to private owners who would agree to permanently conserve the land for sustainable timber harvesting."

As shown in **Figure 1**, the Project begins with solid majority support, with 57 percent in favor and 23 percent opposed.

FIGURE 1: Initial Support for the Montana Working Forests Project



Voters' backing for the Project cuts across subgroups within the Montana electorate: it has the support of majorities of men and women; voters under age 50 and those older; and Democrats, independents and Republicans. The Project also garners broad support among sportsmen, including:

- ✓ 64% of voters who frequently hunt or fish;
- ✓ 64% of voters who frequently snowmobile; and
- ✓ 56% of voters who frequently use motorized off-road vehicles.

It also has support across geographic areas of the state, as shown in Figure 2.

FIGURE 2: Initial Support for the Montana Working Forests Project, by Media Market

Media Market	Support	Oppose	Undecided
Butte-Bozeman	63%	17%	20%
Missoula	61%	23%	16%
Billings	54%	24%	22%
Great Falls	52%	30%	18%
Other	56%	22%	21%

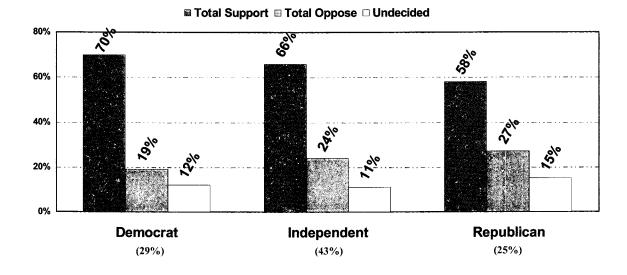
• As voters learn more about the Montana Working Forests Project, their support increases. Survey respondents were offered a series of messages from the Project's supporters, and then were asked a second time whether they backed the Project. As illustrated in Figure 3, this information led nearly two-thirds of those polled to express support for the Project – an increase of seven points. This finding suggests that as the Project's supporters work to acquaint voters with its terms, public support is likely to grow.

FIGURE 3: Impact of Information on Support for the Montana Working Forests Project

Position	Initial Description	After Messages	Difference	
Support	57%	64%	+7%	
Oppose	23%	22%	-1%	
Undecided	20%	14%	-6%	

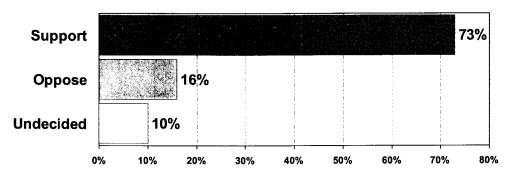
It is also striking that once voters hear more about the Project's details and potential benefits, there are on minimal partisan differences in support: 70 percent of Democrats, 66 percent of independents and 58 percent of Republicans indicate their support, as shown in **Figure 4** below.

FIGURE 4:
Informed Support for the Montana Working Forests Project
(By Party)



• Voters welcome State involvement in funding the Montana Working Forests Project. The poll asked respondents to indicate whether they thought the State of Montana should "spend State dollars to buy some of the Montana Working Forests Project land, and then manage the land to benefit the school trust while also providing for recreational access and clean water and wildlife habitat." As Figure 5 makes clear, more than seven in ten voters welcome such State involvement in the Project.

FIGURE 5: Support for Spending State Money on Buying Working Forests Project Land (Split Sampled)



Taken together, the survey results reflect a strong base of voter support for the Montana Working Forests Project, support that is likely to grow over time as voters learn more about it.

Methodology: From September 3-7, 2008, Fairbank, Maslin, Maullin & Associates and Public Opinion Strategies completed 600 interviews with Montana voters who are likely to cast ballots in the November 2008 election. The margin of sampling error for the full sample is +/- 4.0%; margins of error for subgroups within the sample will be larger.

Public Opinion Strategies (POS) is a survey research company specializing in political and public policy research, with offices in Washington, Denver and Los Angeles. Founded in 1991, the firm has conducted more than three million interviews with voters and consumers in all fifty states and over a dozen foreign countries, including more than 1,600 focus groups. In the last four election cycles, Public Opinion Strategies has helped elect over 63 new Republican members of the U.S. House, more than any other polling firm, Democratic or Republican. Their political client base includes 18 U.S. Senators, eight Governors, over fifty Members of Congress, and numerous state legislative caucuses.

Fairbank, Maslin, Maullin & Associates (FMM&A) has specialized in public policy-oriented opinion research since the company was first organized in 1981. With permanent offices in Los Angeles, Oakland, and Madison, Wisconsin, the firm conducts research for Democratic political candidates, for ballot measure campaigns, and for businesses, non-profits, and government agencies across all fifty states and also in other countries. FMM&A has conducted literally thousands of focus groups and surveys throughout its two-decade history. The firm conducts research for candidates at all levels of the ballot – from Presidential candidates like Howard Dean and Bill Richardson to races for City Council. FMM&A has also provided research and strategic guidance to well over 100 successful statewide ballot measure campaigns.

In partnership, FMM&A and POS collaborate on over a dozen bipartisan research projects each year. The team has worked in over half the United States, from Alaska to Florida, conducting research on land conservation, political reform, immigration, health care, education, and other critical issues. Collectively, the firms have conducted dozens of survey and focus group projects in Montana over the past decade.



Land Acquistion Financial Appraisal

į	Land Information	
	Project Name	Montana Legacy Project Phase 1
	Land Office	SWLO
	Date	1/6/2009
•	Prenare	Jordan Larson

Results		20 Year Analysis	60 Year Analysis	Assumptions	3.3
Potomac Acquisition			/	11.50	
26,900 acres	Income Return	1.36%	1.98%	Timber value/MBF	\$230
	Total Return	6.36%	6.98%	2 AUM value	\$8.25
				3 Purchase price/acre	\$800
	Net present value			4 AUM capacity	844
	of income stream	\$3,062,695	\$5,667,683	5 CPI (3%
				6 Discount Rate	4%
				7 Appreciation	5%
	1			l a l	
	ļ			Market I	
	1				
				[8.87]	



Land Acquistion Financial Appraisal

Land Information		Notes
Project Name: M	ontana Legacy Project (Phase 1)	
Land Office: SV	WLO	
Date: 1/	7/2009	
P reparer Jo	rdan Larson	
Parcel name: Po	otomac acquisition	
County:	·	
Township, Range, Section:		
Acres: 26	5,900	i
Appraised Value: \$2	1,520,000	
Annual Income: \$6	5,963	
Annual Expense: \$5	60	
Apprecation Rate: 5.	00%	
Discount Rate: 4.1 CPI Inflation: 3.1		

Time		Cash Flow		Activities Value and		Income	Cash Flow Analysis		Equity Analysis			
	Years (t)	Operating Income	Operating Expense	Other Income	Other Expense	Description of Activity	Asset Value	Net Income	NPV	Income Return	Capital Return	Tota Return (ROA
	0	\$0	\$0			<u> </u>	\$21,520,000	\$0	\$0	0.00%	0.00%	0.00%
						044 ALIMIA @ 60 05/ALIM 650 Kannas man		\$7,120	\$6,836	0.03%	5.00%	5.03%
	1 2	\$7,172 \$7,387	\$52 \$53		¢1 000	844 AUM's @ \$8.25/AUM, \$50 license man	agement	\$6,334	\$5,837	0.03%	5.00%	5.03%
	3	\$7,609	\$55		\$1,000	Weed spraying along interior roads		\$7,554	\$6,683	0.04%	5.00%	5.04%
	4	\$7,837	\$56					\$7,781	\$6,608	0.04%	5.00%	5.04%
	5	\$8,072	\$58	\$1,356,600	\$647,700	Harvest 5.1 MMBF @ \$266/MBF with cost of \$1	27/MBF	\$716,914	\$584,552	3.33%	5.00%	8.33%
	6	\$8,314	\$60	\$1,000,000	\$150,000	Per-commercial thin 1000 acres at \$150/acre		-\$141,746	-\$110,952	-0.66%	5.00%	4.34%
55	7	\$8,564	\$61				1	\$8,502	\$6,389	0.04%	5.00%	5.04%
<u>~</u>	8	\$8,821	\$63				1	\$8,757	\$6,317	0.04%	5.00%	5.04%
20 Year Analysis	9	\$9,085	\$65					\$9,020	\$6,247	0.04%	5.00%	5.04%
2	10	\$9,358	\$67	\$1,575,900	\$749,700	Harvest 5.1 MMBF @ \$309/MBF with cost of \$1	47/MBF	\$835,490	\$555,461	3.88%	5.00%	8.88%
8	11	\$9,638	\$69					\$9,569	\$6,107	0.04%	5.00%	5.04%
6	12	\$9,928	\$71					\$9,856	\$6,039	0.05%	5.00%	5.05%
Ñ	13	\$10,225	\$73					\$10,152	\$5,971	0.05%	5.00% 5.00%	5.05% 5.05%
	14	\$10,532	\$76					\$10,457	\$5,905 \$5,838	0.05% 0.05%	5.00%	5.05%
	15 16	\$10,848 \$11,174	\$78 ************************************				Į.	\$10,770 \$11,093	\$5,773	0.05%	5.00%	5.05%
	17	\$11,509	\$80 \$83				l	\$11,426	\$5,708	0.05%	5.00%	5.05%
	18	\$11,854	\$85				I	\$11,769	\$5,644	0.05%	5.00%	5.05%
	19	\$12,210	\$88	\$4,030,000	\$1,920,000	Harvest 10 MMBF @ \$403/MBF with cost of \$1	92/MBF	\$2,122,122	\$977,066	9.86%	5.00%	14.86%
100	20	\$12,576	\$90	\$4,150,000		Harvest 10 MMBF @ \$415/MBF with cost of \$1		\$2,182,486	\$964,664	10.14%	5.00%	15.14%
	21	\$12,953	\$93	\$4,270,000		Harvest 10 MMBF @ \$427/MBF with cost of \$2		\$2,242,860	\$951,696	10.42%	5.00%	15.42%
	22	\$13,342	\$96					\$13,246	\$5,396	0.06%	5.00%	5.06%
•	23	\$13,742	\$99					\$13,643	\$5,335	0.06%	5.00%	5.06%
	24	\$14,154	\$102					\$14,053	\$5,276	0.07%	5.00%	5.07%
	25	\$14,579	\$105					\$14,474	\$5,216	0.07%	5.00%	5.07%
	26	\$15,016	\$108			-		\$14,909	\$5,158	0.07%	5.00%	5.07%
	27	\$15,467	\$111					\$15,356	\$5,100 \$5,043	0.07% 0.07%	5.00% 5.00%	5.07% 5.07%
	28	\$15,931	\$114					\$15,816 \$16,291	\$5,043 \$4,987	0.07 %	5.00%	5.08%
	29 30	\$16,409 \$16,901	\$118 \$121				1	\$16,780	\$4,931	0.08%	5.00%	5.08%
	31	\$17,408	\$125				l	\$17,283	\$4,876	0.08%	5.00%	5.08%
	32	\$17,930	\$129					\$17,802	\$4,821	0.08%	5.00%	5.08%
	33	\$18,468	\$133					\$18,336	\$4,767	0.09%	5.00%	5.09%
	34	\$19,022	\$137					\$18,886	\$4,714	0.09%	5.00%	5.09%
	35	\$19,593	\$141			1		\$19,452	\$4,661	0.09%	5.00%	5.09%
	36	\$20,181	\$145					\$20,036	\$4,609	0.09%	5.00%	5.09%
.00	37	\$20,786	\$149					\$20,637	\$4,557	0.10%	5.00%	5.10%
Š	38	\$21,410	\$154					\$21,256	\$4,506	0.10%	5.00%	5.10%
쿌	. 39	\$22,052	\$158					\$21,894	\$4,455	0.10%	5.00%	5.10% 5.10%
₹	40	\$22,714	\$163 \$100					\$22,550	\$4,406 \$4,356	0.10% 0.11%	5.00% 5.00%	5.11%
60 Year Analysis	41 42	\$23,395 \$24,097	\$168 \$173				ļ	\$23,227 \$23,924	\$4,307	0.11%	5.00%	5.11%
×	43	\$24,097	\$173 \$178				1	\$24,642	\$4,259	0.11%	5.00%	5.11%
ಹ	44	\$25,564	\$184					\$25,381	\$4,212	0.12%	5.00%	5.12%
	45	\$26,331	\$189			1	1	\$26,142	\$4,164	0.12%	5.00%	5.12%
	46	\$27,121	\$195					\$26,926	\$4,118	0.13%	5.00%	5.13%
	47	\$27,935	\$201				į	\$27,734	\$4,072	0.13%	5.00%	5.13%
	48	\$28,773	\$207					\$28,566	\$4,026	0.13%	5.00%	5.13%
	49	\$29,636	\$213					\$29,423	\$3,981	0.14%	5.00%	5.14%
v a Tari	50	\$30,525	\$219			1		\$30,306	\$3,936	0.14%	5.00%	5.14%
	51	\$31,441	\$226			1		\$31,215	\$3,892	0.15%	5.00%	5.15%
	52	\$32,384	\$233			1		\$32,152	\$3,849	0.15%	5.00% 5.00%	5.15% 5.15%
	53	\$33,356	\$240				ļ	\$33,116 \$34,110	\$3,806 \$3,763	0.15% 0.16%	5.00%	5.16%
	54 55	\$34,356 \$35,387	\$247 \$254			1	}	\$34,110 \$35,133	\$3,763 \$3,721	0.16%	5.00%	5.16%
	56	\$35,387 \$36,449	\$254 \$262			1	į	\$36,187	\$3,679	0.17%	5.00%	5.17%
	57	\$37,542	\$270			1		\$37,272	\$3,638	0.17%	5.00%	5.17%
	58	\$38,668	\$278	\$10,216,000	\$4,880.000	Harvest 8 MMBF @ \$1277/MBF with cost of \$6	10/MBF	\$5,374,391	\$503,571	24.97%	5.00%	29.97%
	59	\$39,828	\$286			Harvest 8 MMBF @ \$1315/MBF with cost of \$6		\$5,527,542	\$497,204	25.69%	5.00%	30.69%
1100	60	\$41,023	\$295			Harvest 8 MMBF @ \$1355/MBF with cost of \$6		\$5,696,729	\$491,926	26.47%	5.00%	31.47%
5 0					great, bu		year analysis	\$5,855,428	\$3,062,695	1.36%	5.00%	6.36%
- 1)	TAL						year analysis	\$25,535,104	\$5,667,683	1.98%	5.00%	6.98%

Return on Assets Montana State Trust Lands

Fiscal Year 2007



Trust Land Management Division Mission

Manage the State of Montana's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land

TABLE OF CONTENTS

l.	Introduction	1
II.	Production and Prices a. Production b. Prices	2 3 5
III.	Revenue, Expenses, and Asset Appreciation a. Revenue b. Expenses c. Net Revenue d. Asset Value and Appreciation	10 10 13 13 14
IV.	Summary	18
V.	Return on Assets for Classified Forest Lands	20
VI.	Appendix a. Forest Lands b. Real Estate Lands c. Agriculture and Grazing Lands d. Employee Distribution and Expenses	26 27 31 34 37

LIST OF TABLES

Tables	Page
1. FY 2007 Trust Gross Revenue by Bureau	11
2. FY 2007 Trust Expenditures by Bureau	12
3. FY 2007 Trust Net Revenue by Bureau	12
4. FY 2007 Trust Gross Revenue by Land Office and Trust	13
5. FY 2007 Trust Expenditures by Land Office and Trust	13
6. FY 2007 Trust Net Revenue by Land Office and Trust	14
7. FY 2007 Surface Acres by Land Office and Trust	15
8. FY 2007 Classified Acres by Bureau and Land Office	15
9. FY 2006 Asset Values by Land Office and Trust	15
10. FY 2007 Asset Values by Land Office and Trust	16
11. FY 2007 Total Return by Land Office and Trust	17
12. FY 2007 Rate of Return on Asset by Land Office and Trust	18
13. FY 2007 Trust Returns by Bureau	18
14. FY 2007 Trust Returns by WSLCA Asset Class	19
15. Total Net Classified Forest Land Acres	20
16. Comparison of Classified Forest and Trust Lands Distribution	21
17. Classified Forest Asset Value by Land Office and Trust	21
18. Ten Year Mean Gross Revenue on Classified Forest Lands	23
19. Ten Year Mean Net Revenue on Classified Forest Lands	23
20. FY 2007 Total Return on Classified Forests by Land Office and Trust	24
21. FY 2007 Return on Asset from Classified Forests	24
22. Percentage of Net Revenue and Net Acreage by Trust	25
A1. Asset Value Analysis Methods	26
A2. FY 2007 Classified Forest Acres by Land Office and Trust	27
A3. FY 2007 Classified Forest Asset Value by Land Office and Trust	28
A4. FY 2007 Total Return on Forest Lands by Land Office and Trust	28
A5. FY 2007 Return on Asset from Forest Lands by Land Office and Trust	29
A6. FY 2007 FMB Revenue/Cost Ratio	29
A7. Forest Improvement Fees	30
B1. FY 2007 Classified Real Estate Acres by Land Office and Trust	31
B2. FY 2007 Total Real Estate Asset Value by Land Office and Trust	32
B3. FY 2007 Total Return on Real Estate Lands by Land Office and Trust	32
B4. FY 2007 Return on Asset on Real Estate Lands	33
C1. FY 2007 Total Agriculture Acres	34
C2. FY 2007 Total Grazing Acres	34
C3. FY 2007 Agriculture Lands Asset Value	35
C4. FY 2007 Grazing Lands Asset Value	35
C5. FY 2007 Agriculture Lands Total Return	35
C6. FY 2007 Grazing Lands Total Return	36
C7. FY 2007 Agriculture Lands Return on Asset	36
C8. FY 2007 Grazing Lands Return on Asset	36
D1. FY 2007 Final Allocation of FTE	37
D2. FY 2007 Total TLMD Acres	38

LIST OF FIGURES

Fig	gures	Page
1a.	Oil Production on Montana State Trust Lands	3
1b.	Gas Production on Montana State Trust Lands	3 3 3
1c.	Coal Production on Montana State Trust Lands	
2a.	Timber Harvest on Montana State Trust Lands	4
2b.	Timber Harvest 1945-2007	4
3.	Wheat Harvest on Montana State Trust Lands	4
4a.	Beef Prices and Grazing Lease Rates	5
4b.	Montana Wheat Prices 1942-2007	6
	Montana Beef Prices 1942-2007	6
5a.	Average Real Estate Lease Value on Montana State Trust Lands	7
5b.	U.S. Housing Prices 1963-2007	7
	Oil Prices on Montana State Trust Lands	8
6b.	Natural Gas Prices on Montana State Trust Lands	8
6c.	U.S. Crude Oil Prices 1949-2007	8
	Coal Production on Montana State Trust Lands	9
6e.	U.S. Coal Prices 1949-2007	9
7.	Stumpage Bid Prices on Montana State Trust Lands	9
8.	Trust Gross Revenue by Bureau 2000-2007	10
9.	Gross Revenue Distribution by Trust	12
	Trust Net Revenue 2002-2007	14
	Montana State Trust Lands Asset Value	16
12.	Average per Acre Asset Value FY 2007	17
13.	Farm Credit Bank Interest Rate	22
14.	Classified Forest Stumpage	22
A1.	FMB Return on Assets	28
A2.	FMB Revenue Cost Ratios	30
B1.	REMB Return on Assets	33

ABBREVIATIONS AND ACRONYMS

ACB	Montana State University 2nd grant
ACI	Montana State University Morrill grant
CS	Common Schools
DB	School for the Deaf & Blind
PB	Public Buildings
SM	(M Tech) School of Mines
SNS	State Normal Schools
SRS	State Reform Schools
UM	(UNIV) University of Montana
CLO	Central Land Office
NWLO	Northwest Land Office
ELO	Eastern Land Office
SLO	Southern Land Office
NELO	Northeast Land Office
SWLO	Southwest Land Office
DNRC	Montana Department of Natural Resources and Conservation
TLMD	Trust Land Management Division
AGMB	Agriculture and Grazing Management Bureau
FMB	Forest Management Bureau
MMB	Mineral Management Bureau
REMB	Real Estate Management Bureau
FI	Forest Improvement Program
MCA	Montana Code Annotated
WSLCA	Western States Land Commissioners Association

along with natural gas prices which resulted in an overall reduction of Mineral Management Bureau (MMB) revenue in FY 2007. Grazing lease rates and some commodity prices increased in FY 2007 leading to overall higher revenue for the Agriculture and Grazing Management Bureau (AGMB). In total, the four bureaus generated less gross revenue in FY 2007 compared to record earnings in FY 2006.

II. Production and Prices

Commodity prices were generally lower in FY 2007. Oil and gas production and prices were down slightly for the year, but remain strong compared to historical averages. While coal production was up, prices were down compared to FY 2006. Therefore, overall mineral revenue and production for the year was lower in FY 2007 compared to FY 2006.

Similarly, FMB stumpage prices and harvest levels were down in FY 2007 compared to previous years. In FY 2007, 32.1 million board feet of timber was harvested from state trust lands compared to 55.0 million board feet in FY 2006. Purchasers curtailed harvesting due to lower demand and prices for finished lumber and panel products. This has created a backlog of unharvested volume going into FY 2008. While depressed markets are likely to last through FY 2008, harvest volumes and overall revenue is expected to be slightly higher than FY 2007.

AGMB prices and production were mixed with an overall increase in both agriculture and grazing revenue. While overall AGMB revenue was slightly higher in FY 2007, production of barley, wheat, and hay fell from the previous year.

The REMB gross revenue increased significantly this year due to higher residential lease lot fees associated with higher appraised property values and an increase in other easement, license, and lease fees. Revenue from land sales associated with the land banking program was also up for the year. This revenue, however, is not part of the REMB revenue used in the Return on Asset calculation since it is used to purchase replacement lands. While land sale revenue is deducted from REMB's overall revenue for the year, costs associated with the land banking program are expensed against current year revenue which may have a small, short-term negative impact on REMB's Return on Asset value but should result in higher returns over the long-term from the newly acquired lands.

While AGMB and REMB revenues were higher in FY 2007, the overall TLMD revenue was down from FY 2006 due to lower mineral and timber revenues for the year.

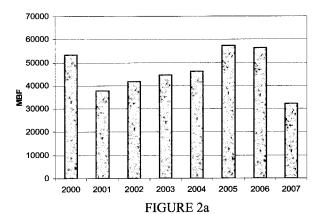
- Timber

Figure 2a shows the timber harvested from bid sales and permits for FY 2000 to FY 2007. Timber harvests fluctuate from year to year depending on current price, expected future price, episodic events such as fires, and availability of logs from other sources. As FY 2007 shows, harvest levels for the year were down significantly due to depressed demand and prices for lumber and panel products.

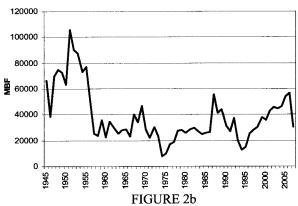
Figure 2b shows the historic harvest level on state trust lands from 1945 to the present. Harvest levels have ranged from a high of 105 million board feet (1951) to a low of 8 million board feet (1974) with current harvest levels within this range.

- Agriculture and Grazing

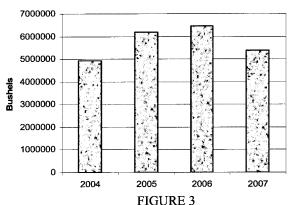
Figure 3 shows wheat production over the last four years. Wheat is the most abundant crop harvested on state trust lands. Wheat production levels are nearly nine times that of the next two highest agricultural commodities, barley and hav. Crop harvest levels are important because they impact the market lease rates for agricultural land. Compared to FY 2006, agricultural commodity production was approximately 16 percent for barley and wheat and 8 percent for hay in FY 2007.



Timber Harvest on Montana State Trust Lands Source: MT DNRC (2007)



Timber Harvest 1945-2007 Source: MT DNRC (2007)



Wheat Harvest on Montana State Trust Lands Source: MT DNRC (2007)

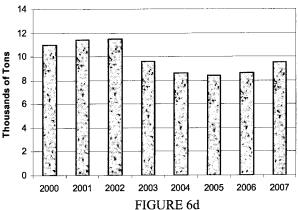
- Coal

Figure 6d illustrates the prices received for coal produced from state lands. Coal prices on state trust land increased 10.6 percent in FY 2007. With increasing costs of other energy alternatives, long-term forecasts are for stable or slightly increasing coal prices.

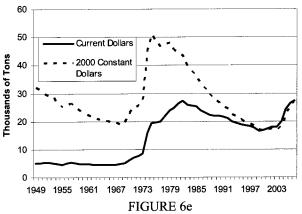
Figure 6e shows long-term coal prices. Similar to the price of oil, coal prices increased dramatically in the '80s then decreased until 2002 when prices began to rise. Unlike oil however, the long-term real price of coal is declining slightly. In recent years, this has created declining profits for coal producers since real costs have continued to increase. Part of the reason for the decline is that the coal industry at the producer level is much more competitive with market prices generally set by supply and demand. If oil prices remain high, additional demand for coal as a substitute for petroleum and natural gas in some uses could improve prices for coal.

-Timber

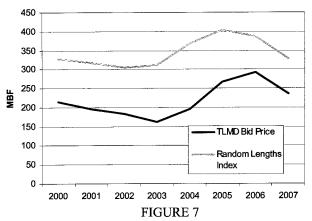
Figure 7 contrasts the Random Lengths composite lumber price index with the average stumpage bid price received by the state for timber sold from FY 2000-FY 2007. The Random Lengths index is a wholesale composite index price that reflects both national and regional lumber prices. In FY 2004, prices increased strongly which continued into FY 2005. In FY 2006 and 2007, the Random Lengths price declined while the average stumpage bid price for timber sold by the bureau



Coal Production on Montana State Trust Lands Source: MT DNRC (2007)



Coal Prices on Montana State Trust Lands Source: U.S. EIA(2007)



Stumpage Bid Prices on Montana State Trust Lands Source: MT DNRC (2007), Random Lengths (2007)

³ This does not include funds collected for the Forest Improvement Program.

lagged slightly behind. The price decrease exhibited in the 2007 *Random Lengths* index reflects the current wholesale market. Decreases in the wholesale market are primarily a result of a slowdown in new home construction and increased foreign timber imports.

III. Revenue, Expenses, and Asset Appreciation

The TLMD rate of return on assets is calculated using the Western States Land Commissioners Association (WSLCA) formula:

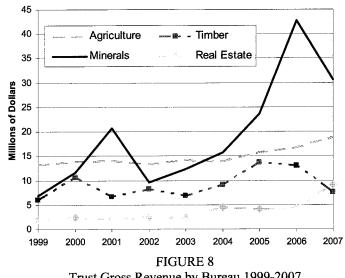
(Gross Revenue – Management & Development Expense) + (Ending Asset Value – Beginning Asset Value)

Beginning Asset Value

This financial metric is not intended to represent income flow to the trusts, but the annual realized return of a specific asset class or all asset classes combined. Appreciation in land values cannot be used to fund school expenditures, but is considered part of the total return on an asset. Increased land values contribute to the revenue of the trusts only after they are captured through sale or increased rental or lease rates. While passive and non-market values and benefits such as open space for recreation, habitat for wildlife, and other ecosystem services affect trust land, it is difficult to monitor their influence over time on revenue streams and land values. The scope of this report remains one of monetary value related to the trusts and does not attempt to quantify these non-market values.⁴

A. Revenue

Revenue generating activities on trust lands includes timber sales, mineral sales and leases, agricultural sales and leases, and real estate sales and leases. Figure 8 shows contributions from each source for the last nine years. On average, minerals generated the largest amount of revenue, followed in order by agriculture, timber, and real estate. Even with the drop in natural gas production in FY 2007, mineral revenues remain strong relative to the other sources. As discussed previously, timber harvest levels and revenues



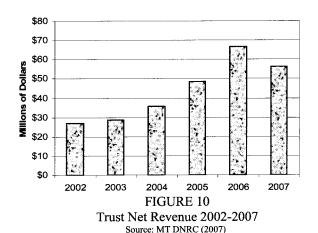
Trust Gross Revenue by Bureau 1999-2007 Source: MT DNRC (2007)

⁴ The introduction of non-market values would primarily affect the asset values and returns on lands with recreational and/or ecological significance.

TABLE 6
FY 2007 Trust Net Revenue by Land Office and Trust

		2007 IIu	St I TOL ICOV	chuc by L		c una ma		
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
ACB	21,129	122	1,739	128,522	816	707,349	859,677	1.5%
ACI	109,056	848	146,521	52,782	12,737	5,854	327,798	0.6%
CS	7,006,571	18,234,929	14,656,522	6,510,517	5,556,381	900,808	52,865,729	93.9%
DB	143,358	0	33,761	107,261	1,083	14,331	299,794	0.5%
PB	357,062	5,304	64,939	139,499	9,484	223,466	799,755	1.4%
SM	151,312	540	96,757	350,584	34	5,090	604,316	1.1%
SNS	56,547	5,543	46,747	17,497	893	3,246	130,474	0.2%
SRS	132,158	12,339	36,217	37,904	15,103	64,256	297,976	0.5%
UM	63,397	24,840	41,132	0	643	2,608	132,620	0.2%
Total	8,040,590	18,284,466	15,124,336	7,344,566	5,597,174	1,927,007	\$56,318,139	100.0%
(%)	14.3%	32.5%	26.9%	13.0%	9.9%	3.4%	100.0%	

Figure 10 displays net revenues from FY 2002 to FY 2007. Revenue shifted from \$66,839,000 in FY 2006 to \$56,318,139 in FY 2007. This change represents a 15 percent decrease in annual net revenue. However, FY 2007 was comparably better than years prior to FY 2006, remaining 15 percent higher than FY 2005 net revenue.



D. Asset Value and Appreciation

Total asset value represents the sum of all asset values from each of the revenue-earning activities associated with trust lands. Detail on these estimates can be found in the *Appendix*. The following tables display only results from the aggregation of TLMD surface activities.⁹

Table 7 shows the total surface acreage by land office and trust. This information is used to prorate assets when they cannot be directly allocated from revenue and other data. Adjustments were made to the acreage distribution table in FY 2007 following a series of land sales, acquisitions, and reclassifications.¹⁰

⁹ From this point forward subsurface (mineral) activities are not included in the analysis. Generally, mineral values must be estimated from methods which parameterize multiple unknown variables. The large number of unknown variables makes it difficult to achieve a reliable year-to-year subsurface value estimation.

¹⁰ Sub columns in *Table 7* and *Table 8* do not include 1,257.61 acres belonging to Veteran's Home. These acres are only included in the count of total surface acreage (5,158,258).

TABLE 7
FY 2007 Surface Acres by Land Office and Trust

			1777.0			CHULO	50 . 1	(0/)
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
ACB	9,497	0	0	12,261	0	9,665	31,424	0.6%
ACI	37,552	480	14,925	3,425	3,578	3,495	63,455	1.2%
CS	976,855	1,223,735	1,651,059	225,244	374,371	175,842	4,627,647	89.7%
DB	22,778	2,600	3,860	8,627	0	1,195	39,061	0.8%
PB	100,026	1,524	14,126	40,697	0	30,616	186,991	3.6%
SM	25,521	228	18,585	11,240	0	3,867	59,440	1.2%
SNS	30,991	723	17,609	10,205	0	3,926	63,454	1.2%
SRS	46,634	201	11,155	1,309	3,249	4,988	67,535	1.3%
UM	3,680	2,694	9,435	248	480	1,437	17,973	0.3%
Total	1,253,535	1,232,185	1,740,753	313,255	381,678	235,031	5,158,258	100.0%
(%)	24.3%	23.9%	33.7%	6.1%	7.4%	4.6%	100.0%	

Table 8 shows acreage by land office and revenue-generating activity. The largest share of trust lands, both surface and subsurface (minerals), exists in the Northeastern Land Office (NELO).

TABLE 8.
FY 2007 Classified Acres by Bureau and Land Office

1 1 2007 Classified Acres by Bareau and Band Office									
Bureau	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)	
Agriculture	123,621	78,153	350,454	776	18,616	1,074	572,693	11.1%	
Grazing	1,083,793	1,153,786	1,389,176	14,368	360,870	80,807	4,082,800	79.2%	
Forest Mgmt.	31,028	0	800	296,302	0	152,418	480,548	9.3%	
Mining Mgm	1,761	1,020	2,439	354	444	283	6,301	0.1%	
Real Estate	15,093	245	1,599	1,809	2,192	733	21,671	0.4%	
Surface Total	1,253,535	1,232,185	1,742,028	313,255	381,678	235,031	5,158,258	100.0%	
(%)	24.3%	23.9%	33.8%	6.1%	7.4%	4.6%	100.0%		

Estimated asset values for regional surface lands by trust are exhibited in *Table 9* and *Table 10* for FY 2006 and FY 2007, respectively. These asset values are based on all surface sources and adjusted for possible use conflicts.

TABLE 9
FY 2006 Asset Values by Land Office and Trust

F 1 2000 Asset Values by Land Office and Trust										
CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)			
9,786,270	0	0	19,764,769	0	12,220,273	41,771,311	1.2%			
32,431,548	156,960	7,724,439	5,562,688	2,135,511	4,643,681	52,654,826	1.5%			
837,083,281	402,680,030	868,479,119	372,522,841	224,715,345	241,531,053	2,947,011,669	85.3%			
19,970,343	863,045	2,019,826	13,860,643	0	1,380,345	38,094,201	1.1%			
87,843,930	498,476	7,304,886	64,819,072	0	34,154,491	194,620,854	5.6%			
22,056,121	74,677	9,642,216	19,299,904	0	4,197,955	55,270,874	1.6%			
25,118,202	236,372	9,394,542	16,387,449	0	4,327,968	55,464,534	1.6%			
42,955,201	98,388	5,764,436	2,065,540	1,877,812	5,658,085	58,419,462	1.7%			
3,032,959	899,640	4,880,737	449,505	277,440	1,650,758	11,191,039	0.3%			
1,080,277,853	405,507,587	915,210,202	514,732,411	229,006,108	309,764,609	\$3,454,498,769	100.0%			
31.3%	11.7%	26.5%	14.9%	6.6%	9.0%	100.0%				
	9,786,270 32,431,548 837,083,281 19,970,343 87,843,930 22,056,121 25,118,202 42,955,201 3,032,959 1,080,277,853	CLO ELO 9,786,270 0 32,431,548 156,960 837,083,281 402,680,030 19,970,343 863,045 87,843,930 498,476 22,056,121 74,677 25,118,202 236,372 42,955,201 98,388 3,032,959 899,640 1,080,277,853 405,507,587	CLO ELO NELO 9,786,270 0 0 32,431,548 156,960 7,724,439 837,083,281 402,680,030 868,479,119 19,970,343 863,045 2,019,826 87,843,930 498,476 7,304,886 22,056,121 74,677 9,642,216 25,118,202 236,372 9,394,542 42,955,201 98,388 5,764,436 3,032,959 899,640 4,880,737 1,080,277,853 405,507,587 915,210,202	CLO ELO NELO NWLO 9,786,270 0 0 19,764,769 32,431,548 156,960 7,724,439 5,562,688 837,083,281 402,680,030 868,479,119 372,522,841 19,970,343 863,045 2,019,826 13,860,643 87,843,930 498,476 7,304,886 64,819,072 22,056,121 74,677 9,642,216 19,299,904 25,118,202 236,372 9,394,542 16,387,449 42,955,201 98,388 5,764,436 2,065,540 3,032,959 899,640 4,880,737 449,505 1,080,277,853 405,507,587 915,210,202 514,732,411	CLO ELO NELO NWLO SLO 9,786,270 0 0 19,764,769 0 32,431,548 156,960 7,724,439 5,562,688 2,135,511 837,083,281 402,680,030 868,479,119 372,522,841 224,715,345 19,970,343 863,045 2,019,826 13,860,643 0 87,843,930 498,476 7,304,886 64,819,072 0 22,056,121 74,677 9,642,216 19,299,904 0 25,118,202 236,372 9,394,542 16,387,449 0 42,955,201 98,388 5,764,436 2,065,540 1,877,812 3,032,959 899,640 4,880,737 449,505 277,440 1,080,277,853 405,507,587 915,210,202 514,732,411 229,006,108	CLO ELO NELO NWLO SLO SWLO 9,786,270 0 0 19,764,769 0 12,220,273 32,431,548 156,960 7,724,439 5,562,688 2,135,511 4,643,681 837,083,281 402,680,030 868,479,119 372,522,841 224,715,345 241,531,053 19,970,343 863,045 2,019,826 13,860,643 0 1,380,345 87,843,930 498,476 7,304,886 64,819,072 0 34,154,491 22,056,121 74,677 9,642,216 19,299,904 0 4,197,955 25,118,202 236,372 9,394,542 16,387,449 0 4,327,968 42,955,201 98,388 5,764,436 2,065,540 1,877,812 5,658,085 3,032,959 899,640 4,880,737 449,505 277,440 1,650,758 1,080,277,853 405,507,587 915,210,202 514,732,411 229,006,108 309,764,609	CLO ELO NELO NWLO SLO SWLO Total 9,786,270 0 0 19,764,769 0 12,220,273 41,771,311 32,431,548 156,960 7,724,439 5,562,688 2,135,511 4,643,681 52,654,826 837,083,281 402,680,030 868,479,119 372,522,841 224,715,345 241,531,053 2,947,011,669 19,970,343 863,045 2,019,826 13,860,643 0 1,380,345 38,094,201 87,843,930 498,476 7,304,886 64,819,072 0 34,154,491 194,620,854 22,056,121 74,677 9,642,216 19,299,904 0 4,197,955 55,270,874 25,118,202 236,372 9,394,542 16,387,449 0 4,327,968 55,464,534 42,955,201 98,388 5,764,436 2,065,540 1,877,812 5,658,085 58,419,462 3,032,959 899,640 4,880,737 449,505 277,440 1,650,758 11,191,039 1,080,277,853			

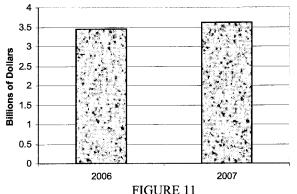
TABLE 10 FY 2007 Asset Values by Land Office and Trust

Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)	
ACB	10,243,170	0	0	20,950,655	0	12,835,370	44,029,195	1.2%	
ACI	34,021,309	163,238	8,033,416	5,897,012	2,241,498	4,899,244	55,255,717	1.5%	
CS	878,179,656	418,782,082	903,155,580	395,206,670	235,864,203	254,960,697	3,086,148,888	85.3%	
DB	20,941,925	897,567	2,100,619	14,692,282	0	1,449,362	40,081,754	1.1%	
PB	92,118,084	518,415	7,597,082	68,708,216	0	35,889,106	204,830,903	5.7%	
SM	23,131,883	77,664	10,027,679	20,465,099	0	4,408,542	58,110,867	1.6%	
SNS	26,363,846	245,827	9,767,198	17,370,696	0	4,545,056	58,292,623	1.6%	
SRS	44,949,825	101,941	5,994,831	2,189,472	1,971,703	5,940,989	61,148,762	1.7%	
UM	3,183,573	935,625	5,075,967	478,445	291,312	1,735,994	11,700,916	0.3%	
Total	1,133,133,272	421,722,359	951,752,373	545,958,546	240,368,715	326,664,360	\$3,619,599,625	100.0%	
(%)	31.3%	11.7%	26.3%	15.1%	6.6%	9.0%	100.0%		

All methods for establishing asset values for surface resources have been updated in this FY 2007 report. The most significant update includes the removal of subsurface values from the aggregate asset value estimation. For comparative purposes, FY 2007 methodologies have been applied to FY 2006 as shown in *Table 9*. The values in this table will not match those reported in the FY 2006 Return on Assets Report because of the FY 2007 method changes.

Figure 11 demonstrates the relative increase in asset value from last year. Total surface asset value increased from approximately \$3.45 billion in FY 2006 to \$3.62 billion in FY 2007, a relative increase of 4.9 percent.

For the past two years, surface values for each land class have been determined by applying average market land values and appreciation rates within each land office.



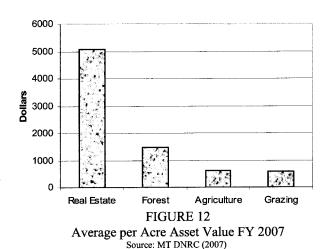
Montana State Trust Lands Asset Value Source: MT DNRC (2007)

Agricultural land values both within and outside the division. Previously, agricultural land values were based on the "2000 Agricultural Lands Appraisal" prepared by the Montana Department of Revenue for assessing property tax on agricultural properties. Estimates will be updated each year to reflect changes in the market for agricultural lands. Timber land values have been updated to reflect new information about the values of timber land gained from actual sales and acquisition combined with bureau and land office expertise on land values. Timber asset values and appreciation for the legislatively mandated return assessment (MCA 77-1-223) are based on an alternative method (MCA 15-44-103).

Asset values grow annually when increases in resource and land prices are observed. For real estate, increases in residential lease prices correspond to rising demand for recreational housing. In the case of agriculture and forest lands, asset values reflect

growing conditions, market demand for food and wood inputs, and competing economic uses for the landscape. Due to real estate and commercial development potential, some agriculture and forest land asset values in Montana have grown disproportionate to their resource related cash flows. When land prices rise due to development potential, this can tighten regional natural resource industries by increasing market entry costs and exit incentives.

Figure 12 displays the average asset value per acre by management bureau. The comparatively large asset value per acre for the REMB (\$5,069) is the result of the substantial proportion of the REMB acreage existing in the high value per acre commercial and residential lots. Forestry, agriculture, and grazing lands operated by the TLMD have average per-acre values of \$1,479, \$627, and \$596, respectively.



The total return shown in Table 11 includes net revenue and an asset

appreciation when appropriate. In all cases, appreciation of the asset exceeds the direct earnings from surface activities.

TABLE 11
FY 2007 Total Return by Land Office and Trust

F1 2007 Total Return by Land Office and Trust								
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
ACB	468,152	55	1,694	1,318,170	367	1,329,135	3,117,572	1.6%
ACI	1,643,358	6,660	382,032	388,554	115,401	258,197	2,794,201	1.5%
CS	45,826,586	19,398,983	42,581,192	29,271,880	12,248,087	14,367,688	163,694,416	85.0%
DB	1,063,461	34,522	114,900	940,991	1,098	81,920	2,236,891	1.2%
PB	4,581,291	23,043	335,594	4,030,908	4,264	1,945,308	10,920,407	5.7%
SM	1,224,351	3,230	452,086	1,516,653	15	214,331	3,410,666	1.8%
SNS	1,299,396	9,767	409,857	1,000,634	401	219,972	2,940,028	1.5%
SRS	2,066,891	11,481	262,680	163,263	101,064	342,625	2,948,004	1.5%
UM	214,111	54,433	232,912	28,940	14,161	86,672	631,229	0.3%
Total	58,387,597	19,542,173	44,772,946	38,659,992	12,484,857	18,845,849	\$192,693,415	100.0%
(%)	30.3%	10.1%	23.2%	20.1%	6.5%	9.8%	100.0%	

This year's total return cannot effectively be compared to prior years. Again, this is due to changes in methodologies and the removal of mineral values from the aggregate estimates.

Table 12 shows the rate of return on assets for all trust lands. The total return statewide in FY 2007 is 5.6 percent. Since appreciation contributes a greater proportion than revenue of the total return, lands with higher appreciation rates will tend to have higher rates of return. Unusually high rates of return can indicate a one-time occurrence or

windfall. The overall distribution of assets tends to be more accurate than the detail distribution, which depends heavily on land ownership patterns.

TABLE 12
FY 2007 Rate of Return on Asset by Land Office and Trust

	F 1 2007 Rate of Return on Asset by Land Office and Trust									
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total			
ACB	4.8%	0.0%	0.0%	0.0%	0.0%	10.9%	7.5%			
ACI	5.1%	4.2%	4.9%	7.0%	5.4%	5.6%	5.3%			
CS	5.5%	4.8%	4.9%	7.9%	5.5%	5.9%	5.6%			
DB	5.3%	0.0%	5.7%	0.0%	0.0%	0.0%	5.9%			
PB	5.2%	4.6%	4.6%	0.0%	0.0%	5.7%	5.6%			
SM	5.6%	4.3%	4.7%	7.9%	0.0%	5.1%	6.2%			
SNS	5.2%	4.1%	4.4%	0.0%	0.0%	5.1%	5.3%			
SRS	4.8%	11.7%	4.6%	0.0%	5.4%	0.0%	5.0%			
UM	7.1%	6.1%	4.8%	6.4%	5.1%	5.3%	5.6%			
Total	5.4%	4.8%	4.9%	7.5%	5.5%	6.1%	5.6%			

IV. Summary

Table 13 and Table 14 provide returns by bureau and asset class including the Trust and Legacy Fund as reported by the Board of Investments Annual Report. Table 13 separates out the relative contribution of net revenue and appreciation in each bureau. A larger portion of total return comes from appreciation. The annual rate of return from revenue and land appreciation is 0.8 percent and 4.8 percent, respectively.

TABLE 13 FY 2007 Trust Returns by Bureau¹¹

						
Source	Net Revenue	Net Revenue /	Appreciation	Appreciation /	Total Return	Annual Rate
		Assets		Assets		of Return
Agriculture	\$9,634,225	2.8%	\$15,053,322	4.4%	\$24,687,548	7.2%
Grazing	7,693,518	0.3%	107,586,112	4.6%	115,279,630	4.9%
Forest Mgmt	2,389,619	0.4%	37,908,044	5.6%	40,297,662	6.0%
Real Estate	7,875,199	7.3%	4,553,378	4.2%	12,428,576	11.5%
Total	\$27,592,561	0.8%	\$165,100,856	4.8%	\$192,693,416	5.6%
Source	2007 Year-End		Annual	Annual		Annual Rate
	Balance		Increase	Increase	Annual Income	of Return
Trust and Legacy Fund*	\$428,153,530		\$4,999,795	1.2%	\$26,474,491	6.2%

*Source: Montana Board of Investments Annual Report (2007)

-

¹¹ Trust resources are not managed in the same manner as privately held resources. In addition to providing revenue, other social and political issues are considered in most economic decisions associated with managing trust assets. Consequently, evaluating trust performance solely on the basis of the rate of return without considering all of the goals and objectives of trust asset management could lead to inaccurate conclusions about the "financial" management of trust assets.

Table 14 shows the estimated annual return by WSLCA asset classification and compares these values with the Trust and Legacy Fund annual return and mean government bond absolute returns.

At the aggregate level it is useful to identify an alternative return, representing the cost of capital. Such a return can be used to test the efficiency of each asset class. Principally, asset classes which improve on the designated alternative return can be thought of as adding economic value to the trusts.

There are certain caveats in concern of identifying the right alternative return to use for this efficiency test. For one, some components of land investments are inflationless, or real, such as timber growth. For a proper comparison of these inflationless components with an alternative return, the return must first be adjusted for inflation.

A second caveat relates to the deviation of annual returns from long-term trends. Multiyear mean returns are generally more appropriate in the evaluation of assets as they help identify and neutralize the influence of outlier annual returns.¹² In the case of the Trust and Legacy Fund, which is invested entirely in bonds, the long-term government bond return is representative of the funds long-term trend.

TABLE 14
FY 2007 Trust Returns by WSLCA Asset Class

Asset Class	Surface Acres	2006 Asset Value	Net Revenue	Appreciation	2007 Return								
Agriculture (Dryland)	562,222	\$317,592,632	\$9,224,331	\$13,176,055	7.1%								
Agriculture (Irrigated)	10,471	26,721,577	409,894	1,870,510	8.5%								
Range Lands	4,082,800	2,329,095,699	7,693,518	107,586,112	4.9%								
Forest Lands	480,548	672,853,048	2,389,618	37,908,044	6.0%								
Real Estate (Commercial)	5,583	62,108,379	6,668,431	2,632,348	15.0%								
Real Estate (Residential)	1,870	34,697,850	1,126,172	1,470,604	7.5%								
Real Estate (Conservation)	14,218	11,260,656	80,595	450,426	4.7%								
Total	5,157,712	\$3,454,329,841	\$27,592,560	\$165,094,098	5.6%								
Trust and Legacy Fund*	0	\$423,153,735	\$26,474,491	\$0	6.2%								
Long-Term Government Bonds**													
Intermediate-Term Governm	ent Bonds**			Intermediate-Term Government Bonds** 5.3%									

*Source: Montana Board of Investments Annual Report (2007)

^{**}Source: Ibbotson December Market Report (2006)

¹² This year's return from commercial real estate is elevated due to a one time easement payment.



LAKE COUNTY

106 4th Ave. E.

Polson, Mt. 59860

November 13, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

For nearly ten years, the Lake County Commissioners have supported the on-going land conservation efforts in the Swan Valley. These local efforts by our constituents have been focused on the maintenance of our forest resources and the avoidance of dispersed rural subdivision and development in the Valley. The County has actively participated in the Swan Lands Coordinating Committee and has developed land use policies that further resource conservation and address the significant costs of providing local services to residential development in this area of our county.

We have been informed of the MT Legacy Project and our staff has participated in an analysis of the financial implications of the project. We believe that it is a complementary extension of the conservation work accomplished thus far in the Swan Valley. In particular, Lake County strongly supports the Montana Working Forests proposal for State acquisition of certain lands in the northern part of the Valley.

The Swan River State Forest is a productive forest managed by the MT Department of Natural Resources and Conservation (DNRC). However, the checkerboard ownership pattern of these State lands with Plum Creek lands adversely affects efficient land management for the variety of resource values present. Additionally, the conversion of private forestlands to subdivision and development would not only further hinder forest management on public lands, but would degrade habitat resources and connectivity, disrupt the outdoor recreation opportunities currently enjoyed by the public, and significantly increase the costs of providing services to the area (especially sheriff and fire protection services).

This Montana Working Forests proposal represents a singular opportunity to address the problems associated with the historic checkerboard ownership pattern. We believe it recognizes the significant resource values in the Swan Valley and will further logical land use within the area of the Swan River State Forest. Through this acquisition and consolidation of State ownership, the Montana Working Forests proposal will help maintain the important resource, conservation, social and economic values of the Valley.

By avoiding the fragmentation of our forest landscape from excessive rural development, the forest will continue to provide elements integral to our quality of life, including wildlife habitat, wood products, recreational access, water quality protection, and forest health.

The Lake County Commissioners support the Montana Working Forests proposal and encourages positive action by the Legislature to secure this opportunity on behalf of the citizenry.

BOARD OF LAKE COUNTY COMMISSIONERS

Mike Hutchin, Chairman

Paddy Trusler, Member

Chuck Whitson Member



LAKE COUNTY

106 4th Ave. E.

Polson, Mt. 59860

November 13, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

For nearly ten years, the Lake County Commissioners have supported the on-going land conservation efforts in the Swan Valley. These local efforts by our constituents have been focused on the maintenance of our forest resources and the avoidance of dispersed rural subdivision and development in the Valley. The County has actively participated in the Swan Lands Coordinating Committee and has developed land use policies that further resource conservation and address the significant costs of providing local services to residential development in this area of our county.

We have been informed of the MT Legacy Project and our staff has participated in an analysis of the financial implications of the project. We believe that it is a complementary extension of the conservation work accomplished thus far in the Swan Valley. In particular, Lake County strongly supports the Montana Working Forests proposal for State acquisition of certain lands in the northern part of the Valley.

The Swan River State Forest is a productive forest managed by the MT Department of Natural Resources and Conservation (DNRC). However, the checkerboard ownership pattern of these State lands with Plum Creek lands adversely affects efficient land management for the variety of resource values present. Additionally, the conversion of private forestlands to subdivision and development would not only further hinder forest management on public lands, but would degrade habitat resources and connectivity, disrupt the outdoor recreation opportunities currently enjoyed by the public, and significantly increase the costs of providing services to the area (especially sheriff and fire protection services).

This Montana Working Forests proposal represents a singular opportunity to address the problems associated with the historic checkerboard ownership pattern. We believe it recognizes the significant resource values in the Swan Valley and will further logical land use within the area of the Swan River State Forest. Through this acquisition and consolidation of State ownership, the Montana Working Forests proposal will help maintain the important resource, conservation, social and economic values of the Valley.

By avoiding the fragmentation of our forest landscape from excessive rural development, the forest will continue to provide elements integral to our quality of life, including wildlife habitat, wood products, recreational access, water quality protection, and forest health.

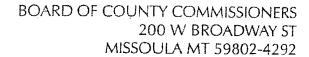
The Lake County Commissioners support the Montana Working Forests proposal and encourages positive action by the Legislature to secure this opportunity on behalf of the citizenry.

BOARD OF LAKE COUNTY COMMISSIONERS

utchin, Chairman

Paddy Trusler, Member

Chuck Whitson, Member





PHONE: (406) 258-4877

FAX: (406) 721-4043

BCC 2008-289 December 17, 2008

Brian D. Schweitzer, Governor State of Montana P.O. Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer:

The Missoula County Commissioners strongly support the Montana Working Forests Project. This effort by the State of Montana to purchase at least 110,000 acres of former Plum Creek timber lands will help maintain forest resources into the future and avoid costly dispersed rural subdivision and scattered development in fire-prone forests. The County has actively participated in similar efforts in the Swan Valley and the Blackfoot Valley. We've been informed of the project, sponsored several community meetings through our Rural Initiatives Office and have heard broad support for the State's acquisition from County residents. In particular, we support the purchase of more than 50,000 acres in the Potomac area and north of Interstate 90. We urge you to continue your efforts to provide funding for the acquisition of these lands.

This Montana Working Forests Project is a unique opportunity to address many important issues at once. By clearing up the checkerboard ownership pattern, agencies and constituents can make land management decisions that take whole ecosystems into account. Public access for hunting, fishing, hiking and snowmobiling can be maintained. These activities are at-risk as large blocks of timberlands are sold off as smaller parcels. In addition, Montana's timber industry is substantially benefited by keeping future options open for timber production on these once private timber producing parcels. By adding substantial acreages to the State's timber base, we provide for a possible increase in the sustainable yield of timber by the Department of Natural Resources and Conservation. Finally, the incredible water and wildlife resources on these parcels are a critical part of this region's economic future. Keeping these resources healthy for the enjoyment of Montanans and our many visitors is necessary.

Furthermore, the risk and cost of firefighting has skyrocketed due to dispersed rural development in recent years. The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed.

A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that in 2007, approximately 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires. Had these lands been developed at the time — even at very low densities — the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Missoula Board of County Commissioners views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely, BOARD OF COUNTY COMMISSIONERS

Jean Curtiss, Chair

Bill Carey, Commissione

Larry Anderson, Commissioner

BCC/ppr

cc: Pat O'Herren. Rural Initiatives





409 Missouri Avenue Deer Lodge, MT 59722 406-846-3680

January 8, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

The Powell County Board of Commissioners strongly supports The Montana Working Forests Project.

This effort to conserve 111,000 acres of former Plum Creek Timber lands is an important investment in Montana's future. By acquiring these lands, made available as part of a larger 310,000 purchase of lands by The Nature Conservancy and The Trust for Public Lands, the State of Montana will ensure that they remain part of the state's working forests, stay open for public access and protect the water and wildlife resources we all enjoy.

Five years ago The Nature Conservancy, in partnership with the Blackfoot Challenge, purchased nearly 90,000 acres of Plum Creek Timber land. Much of this land is located in Powell County. This land is currently in the process of conveyance to a combination of federal, state and private owners. The Powell County Board of Commissioners has been part of this collaborative effort. Most importantly, the land remains healthy and productive. The Montana Working Forests Project represents an important opportunity to build on this kind of collaborative effort.

By increasing the State of Montana's land ownership by 111,000 acres of prime forest lands we increase our support of schools, help retain a future for our timber industry and keep these highly developable lands open to public access long into the future. In short, we can help keep this part of Montana whole.

We urge you and the Montana State Legislature to continue your efforts to secure the necessary funding for this project.

Respectfully,

Powell County Board of Commissioners



379 Boyscout Road • P.O. Box 549 • Seeley Lake, Montana 598

January 7, 2009

Governor Brian Schweitzer Montana Capitol P.O. Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer:

Pyramid Mountain Lumber, Inc. has been a strong supporter of the Montana Legacy Project and looks forward to the State of Montana's acquisition of 111,000 acres through the Montana Working Forests Project. These acres are in close proximity to our family owned mill in Seeley Lake and would provide more certainty in available raw materials in future years under sustainable management by DNRC.

This project offers an opportunity of a lifetime to help maintain working forestlands and the rural character of Montana's landscapes. The resulting economic benefit to rural communities through historic land uses and modern technology will benefit current infrastructure while stimulating future economic diversification.

Governor, Pyramid supports the Montana Working Forests Project and the multiple benefits which will be realized through active management. We encourage you to move forward with efforts that add forested acreage to State of Montana ownership.

Sincerely,

Gordy Sanders Resource Manager

Pyramid Mountain Lumber, Inc.

Honorable Governor Brian D. Schweitzer

Montana Capitol

PO Box 200801

Helena, MT 59620-0801

January 5, 2009

Dear Governor Brian D. Schweitzer,

I've been working in the wood products industry for 40+ years and I support the State of Montana acquiring land through the Montana Working Forests Project. Here we have an opportunity to place emphasis on quality management of these portions of the forest. Having worked with many of these State people throughout the years, I feel, their commitment to doing what is right for the forest has evolved to a higher level than simple extraction of cash resources. This group will do their best for the forest and that will provide a more reasonably balanced management of these properties.

The Montana Working Forests Project is a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana. Having invested myself in this profession of forestry I recommend that you help the State of Montana in acquiring these lands.

Yours in restoration and communication, I remain

Craig E. Thomas

Forester

Stevensville, Montana 59870

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

> Tricon Timber LLC PO Box 158 St. Regis MT. 59866

January 2, 2009

Dear Governor Brian D. Schweitzer,

I've been working in the wood products industry for thirty-three years and I support the State of Montana acquiring land through the Montana Working Forests Project.

A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area—about half of them in Missoula County.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, and these lands have given a great deal to us. Sound stewardship of these lands by Montana now and far into the future will ensure they remain economically viable for the future generations that work here.

The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide – public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

The Montana Working Forests Project is a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,
Gordon N. Johnson

Gordon N Johnson Forester



November 25, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

RE: Support Montana's Working Forests

Dear Montana House,

With over 250 members in western Montana, Hellgate Hunters and Anglers (HHA) works to conserve Montana's wildlife, wild places and fair-chase hunting and fishing heritage. In addition to our support for hunting and fishing, members of HHA are dedicated to conserving Montana's non-game wildlife and natural habitat, and to ensuring that future generations are able to enjoy the same high-quality outdoor experiences we grew up with.

Hellgate Hunters and Anglers strongly support Montana's Working Forests proposal for several reasons. The proposal would convert roughly 111,000 acres of Plum Creek land into state management and is an integral part of part of a larger 312,000 acre land conservation effort known as the Montana Legacy Project. Montana's Working Forests encompasses large sections of land in the Swan Valley, the Fish Creek drainage, the Potomac and areas west of Missoula.

The Montana's Working Forests proposal represents a once in a lifetime opportunity to conserve many of the places that generations of Montanans have enjoyed for hunting and fishing.

This proposal will maintain essential resource, conservation, social, and economic values in western Montana by:

- Maintaining recreational access for hunters, anglers, hikers, motorized recreationists and other users. Access to much of these lands could be in jeopardy unless the Montana's Working Forests project is funded and approved.
- Protecting some of Montana's (and America's) most critical wildlife habitat.
 Habitat for grizzly bears, lynx, bull trout, other species will be conserved and protected through sound land management principles and policies.

Hellgate Hunters and Anglers is dedicated to conserving Montana's wildlife, wild places, and fair-chase hunting and fishing heritage.

- Reducing fragmentation of the landscape from excessive subdivision in remote and rural areas. Throughout Montana, we are losing some of our best wildlife habitat and hunting access as development fragments the landscape. Fragmented forests can't provide the full benefits healthy forests provide clean water, wildlife habitat, hunting and fishing access, in addition to wood products. The Montana's Working Forests proposal will reduce fragmentation and thereby helping maintain western Montana's traditional quality of life.
- Working to maintain forest industry jobs. Western Montana has a proud wood products history but for a variety of reasons the industry is facing serious economic uncertainty. The Montana's Working Forests proposal calls for sustainable timber harvest levels for the lands involved, which means sound stewardship, forest health, and a foundation for employment and economic opportunity in the wood products industry.
- Forests proposal calls for the state to purchase up to 110,000 acres of lands for inclusion as state forestland. This addition to the state's forestland will generate income for the school trust fund through sales of timber, subject to state land management and sustainable harvest calculations. One estimate suggests that an increase in 10 million board feet annually reasonable for an additional 110,000 acres will produce an additional 230 wood products jobs and generate over \$2 million annually for Montana schools.

Hellgate Hunters and Anglers views Montana's Working Forests as a remarkable opportunity to help conserve not only our landscape but our way of life in Montana.

Sincerely,

Tim Aldrich President AVOIST PROOFFIFFIER PRISE OUTSUITION



5705 Grant Creek Rd Missoula, MT 59808 PO Box 8249 Missoula, MT 59807-8249

Phone: 406-523-4500 Toll Free: 800-225-5355

Email: rmef@rmef.org Website: www.elkfoundation.org

January 12, 2009

Governor Brian D. Schweitzer Montana State Capitol P.O. Box 200801 Helena, MT 59620-0801

Senator Robert Story Montana State Senate Montana State Capitol P.O. Box 200500 Helena, MT 59620-0500

Speaker Bob Bergren
Montana House of Representatives
Montana State Capitol
P. O. Box 200400
Helena, MT 59620-0400

Subject: Montana Working Forests Project

Dear Governor Schweitzer, Senator Story, and Speaker Bergren:

The Rocky Mountain Elk Foundation (RMEF) is a membership-based organization whose mission is to ensure the future of elk, other wildlife, and their habitat. Though we have over 155,000 members nationwide, we are proud that our origin began in Montana and that our national office is still located here in Missoula. Through many partnerships, we have helped protect and enhance 628,591 acres across the state since 1988.

One of our highest priorities is addressing the decline of available habitat. The conversion of rural areas to residential development, subdivision and other developed uses is outpacing population growth, and consuming what are often a region's most beautiful and productive lands. When this occurs, wildlife habitat and public access are at risk, particularly in areas of intermingled public and private ownership. As rural lands are subdivided and developed, wildlife habitat is fragmented, fences and No Trespassing signs go up, and opportunities for hunting become more limited.

As you know, The Nature Conservancy and The Trust for Public Land continue their efforts to implement the Montana Legacy Project, the agreement to acquire over 300,000 acres of Plum Creek lands in western Montana. As a result of input received at community meetings and dialogue with State agencies and the Governor's Office, there is a concerted effort to identify funding for the State of Montana to acquire approximately 111,000 acres of these lands; this is



Page 2 January 12, 2009

known as the Montana Working Forests Project. This is a significant opportunity for the citizens of Montana, and it is an important and timely issue for consideration by the Montana Legislature.

RMEF strongly supports the Montana Working Forests Project. This project will contribute to conservation of wildlife habitat and water resources, maintain traditional public access for outdoor recreation opportunities, and help keep Montanans working in the woods and local mills. The Montana Working Forests lands would be owned and managed primarily through the Montana Department of Natural Resources and Conservation for the benefit of all Montanans. All of the Plum Creek checkerboard lands within the Swan River State Forest could be included, as well as priority lands in the Potomac area and Fish Creek drainage. We encourage your support of legislation that would provide for investment in all or a portion of those lands included in the MT Working Forests Project.

The Governor's Budget included a recommendation for a general obligation bond to acquire additional School Trust lands. House Bill 14 (HB-14) furthers this recommendation and proposes an authorization of \$21 million in such funding. It is our understanding that the DNRC would target this funding for acquisition of Montana Working Forests lands in the Potomac area. This would complement other funding resources that could be applied to implement additional State acquisitions.

We at the Elk Foundation appreciate your efforts to support the extraordinary opportunity afforded to the citizens of Montana by the Montana Working Forest Project! It is time to invest in Montana!

Sincerely

M David Allen
President & CEO



January 14, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

The women of the Blackfoot Home and Community Club, a local service organization in Potomac, MT strongly support The Montana Working Forests Project.

The BHCC endorses The Montana Working Forests Project because it represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area. More than half of these lands are located in Missoula County.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana. These values are important to BHCC members. The Project complements our mission and the local volunteer activities we undertake like the Annual Blackfoot River Clean-Up.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

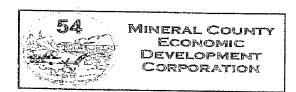
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

The Blackfoot Home and Community Club views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

The women of the Blackfoot Home and Community Club [Signature page attached]

We, the women of the Blackfoot Home and Community Club, a local non profit organization in Potomac, support the Montana Working Forests Project.



December 3, 2008

The Honorable Brian D Schweitzer Governor of Montana P O Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

The Mineral County Economic Development Corporation, a non-profit countywide organization dedicated to improving the social and economic well being of county residents is fully supportive of the Montana Working Forests Project. It is our belief that the proposed action to transfer over 100,000 acres of Plum Creek lands to the state of Montana presents itself as a golden opportunity that will contribute to the custom and culture of Mineral County residents.

As you well know, Mineral County depends heavily on natural resources from public lands. We believe that the state will manage these lands in a manner compatible with our core values contributing to sustainably.

- Management of the timber stands as a viable renewable resource will contribute to the local economy. Mineral County has an excellent record in fostering Stewardship projects that will allow these lands to be managed in a sustainable manner for future generations to enjoy. This will significantly enhance the forest sector economy.
- Enhancing the utilization of these lands will provide additional recreational opportunities including hunting, fishing, ATV's, hiking, and a host of other public uses. In addition, the wildlife habitat will be enhanced that is so important to the survival of threatened and endangered species in the Rocky Mountains.
- The acquisition of these lands by Montana will preclude the fragmentation of second home development. This will prevent the loss of valuable forest lands thereby retaining their public use contributing to our western heritage.
- Through proper management, the risk of catastrophic fires will be greatly reduced. This becomes extremely important when one considers the tremendous cost for fire suppression and the loss of such a valuable resource.

The Mineral County Economic Development Corporation considers the Montana Working Forests Project as a tremendous opportunity to help conserve our natural resource base contributing to the social and economic fabric of our local communities. Your support for this endeavor will be greatly appreciated.

Jim DeBree

Mineral County Economic Development Corporation



Bitter Root Land Trust, Hamilton 406-375-0956

The Clark Fork-Pend Oreille Conservancy Sand Point, ID 208-263-9471

The Conservation Fund, Missoula 541-8555

Five Valleys Land Trust, Missoula 549-0755

Flathead Land Trust, Kalispell 752-8293

Gallatin Valley Land Trust, Bozeman 587-8404

Montana Land Reliance, Helena 443-7027

The Nature Conservancy, Helena 443-0303

Prickly Pear Land Trust, Helena 442-0490

Rocky Mountain Elk Foundation, Missoula 523-4533

The Trust for Public Land, Bozeman 522-7450

Vital Ground Foundation, Missoula 549-8650

MONTANA ASSOCIATION OF LAND TRUSTS

Box 675 Whitehall, Montana 59759 Glenn Marx, Executive Director 490-1659 Email: malt@jeffersonvalley.net Website: montanalandtrusts.org

November 2008

The Montana Association of Land Trusts, a group of twelve land trusts working throughout the state, voted unanimously at the association's October 7, 2008 membership meeting to endorse and support the Montana Legacy Project as a whole, and more specifically, the state component of the proposal, the Montana Working Forests Project.

Montana's association of land trusts endorses the Legacy/Working Forests proposal for abundant reasons. The Legacy/Montana Working Forests proposal converts roughly 320,000 acres of Plum Creek land into federal, state and private ownership, in what is one of the largest land conservation purchases in U.S. history. The project encompasses large sections of land in the Swan Valley, in the Clearwater area, in Mill Creek north of Missoula, in the Fish Creek and Lolo areas west of Missoula and in the Potomac area.

This Working Forests proposal represents a once in a lifetime opportunity to protect the quality of life in western Montana and to maintain the essence of the core values that make western Montana such a distinct and special place.

The Working Forests proposal will maintain essential resource, conservation, social and economic values in western Montana by:

Protecting some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

Maintaining recreational access for hunters, anglers, hikers, motorized recreation and other uses. Access to much of these lands could ultimately be in jeopardy unless the Working Forests project is funded and approved.

Working to maintain forest industry jobs. Western Montana has a proud wood products history but for a variety of reasons that industry is currently facing serious economic uncertainty. The Working Forests proposal calls for sustainable timber harvest levels for lands involved, which means sound stewardship, forest health and a foundation of employment and economic opportunity in the wood products industry.

Stemming fragmentation of landscape from excessive rural development. Throughout the west we are losing intact landscapes to fragmentation caused by rural development. When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide – access, wildlife habitat, wood products and others important qualities like water quality protection and forest health for fire suppression capability. The

Working Forests proposal will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

Generating additional income to the school trust fund. The Working Forests proposal calls for the state to purchase up to 110,000 acres of lands for inclusion as state forestland. This addition to the state's forestland will generate income for the school trust fund through sales of timber, subject to state land management and sustainable harvest calculations. One estimate suggests an annual increase in 10 million board feet — reasonable for an additional 110,000 acres — will produce an additional 230 wood products jobs and generate over \$2 million per year in revenue for Montana schools.

Montana's land trusts have been working with landowners for over three decades to conserve private lands, and land trusts and landowners have done an impressive job protecting open lands, agricultural ground, wildlife habitat and more. These land trusts view the Working Forests proposal as a remarkable opportunity to help conserve not only a landscape but a way of life in western Montana.

Montana's land trusts stand in strong support of the Working Forests proposal and are pleased that two members of the Montana Association of Land Trusts – The Nature Conservancy and The Trust for Public Land – have led the effort on this proposal.

If land trusts can be of any assistance or address any questions, please don't hesitate to contact us.

Sincerely,

Glenn Marx

Executive Director

Montana Association of Land Trusts

Dem Marx



"Better Communities Through Cooperation"

November 18, 2008

Governor Brian D. Schweitzer Office of the Governor Montana State Capitol Building P.O. Box 200801 Helena MT 59620-0801

RE: Montana Working Forests project

Dear Governor Schweitzer,

This is a letter of support for the Montana Working Forests project to conserve working lands in Montana for current and future generations.

Through the Blackfoot Community Project (BCP), the Blackfoot Challenge and The Nature Conservancy partnered to conserve 89,000 acres of Plum Creek Timber Company land in the middle and upper Blackfoot Valley. We are now in the final stages of a community lead disposition of these acres to public and private conservation ownership.

Montana's Working Forests seeks to convey at least 110,000 acres of former Plum Creek Timber Company land to the State of Montana. This project should have similar success given the focus The Nature Conservancy and The Trust for Public Land have to involve local communities. The Challenge supports the project's objectives of protecting clean water and fish and wildlife habitat, keeping our forests in productive timber management, and promoting public access to these lands for fishing, hiking, hunting and other recreation.

The Blackfoot Challenge is facilitating this community involvement in the Potomac and Greenough area, having hosted public meetings to introduce the community to The Nature Conservancy, Trust for Public Land and Missoula County Rural Initiatives. The Challenge is organizing a local group to coordinate the exchange of information between the local community and the project partners.

Sincerely,

Jim Stone, Chairman



United States Department of the Interior

NATIONAL PARK SERVICE Glacier National Park West Glacier, Montana 59936

H30

DEC 3 0 2008

Montaria Senate State Capital P. O. Box 200500 Helena, MT 59620-0500

Dear Montana Senate:

Glacier National Park supports the Montana Legacy Project's Montana Working Forests proposal. While none of these lands are directly adjacent to Glacier National Park, many of our park resources are affected by actions outside the park. This project offers a tremendous opportunity that will contribute to threatened and endangered species recovery, and maintain wildlife corridors that eventually connect to Glacier National Park. Conservation of these lands can make a significant contribution to the preservation of wildlife and other resources in Glacier National Park, as many of these animals do not recognize political boundaries and may travel throughout the region including as far south as the Swan Mountain Range.

This proposal presents a once in a lifetime opportunity to protect the quality of life in western Montana and maintain the essence of the core values that make the area such a distinct and special place. We believe this proposal will protect some of Montana's (and the Crown of the Continent's) most critical wildlife habitat for grizzly bears, lynx, bull trout and other species, maintain access for recreationists, maintain forest industry jobs, stem fragmentation of landscapes from patch work development and generate additional income to the school trust fund.

Please include this letter of support as you consider this proposal.

Sincerely,
/s/Stephanie R. Dubols

Chas Cartwright Superintendent

bcc: M. Riddle





United States Department of the Interior

NATIONAL PARK SERVICE Glacier National Park West Glacier, Montana 59936

H30

DEC 3 0 2008

Montana House of Representatives State Capital P. O. Box 200400 Helena, MT 59620-0400

Dear Montana House of Representatives:

Glacier National Park supports the Montana Legacy Project's Montana Working Forests proposal. While none of these lands are directly adjacent to Glacier National Park, many of our park resources are affected by actions outside the park. This project offers a tremendous opportunity that will contribute to threatened and endangered species recovery, and maintain wildlife corridors that eventually connect to Glacier National Park. Conservation of these lands can make a significant contribution to the preservation of wildlife and other resources in Glacier National Park, as many of these animals do not recognize political boundaries and may travel throughout the region including as far south as the Swan Mountain Range.

This proposal presents a once in a lifetime opportunity to protect the quality of life in western Montana and maintain the essence of the core values that make the area such a distinct and special place. We believe this proposal will protect some of Montana's (and the Crown of the Continent's) most critical wildlife habitat for grizzly bears, lynx, bull trout and other species, maintain access for recreationists, maintain forest industry jobs, stem fragmentation of landscapes from patch work development and generate additional income to the school trust fund.

Please include this letter of support as you consider this proposal.

Sincerely,

/s/ Stephanie R. Dubois

Chas Cartwright Superintendent

Bcc: M. Riddle



Friends of Two Rivers
December 1, 2008

PO Box 376

Milltown MT 59851

Governor Brian D. Schweitzer Office of the Governor Montana State Capitol Bldg. P.O. Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer,

Friends of Two Rivers is a grass-roots organization of Bonner/Milltown residents supporting natural resource conservation. We are pleased to offer our strongest support for the Montana Working Forests Project, enabling the purchase and conservation of approximately 312,500 acres of Plum Creek Timber Company land. The Project would preserve this land for timber harvest, wildlife uses, and public access, all of which are at the heart of Montana's economy and quality of life.

By preserving the land uses that make Montana such a special place, the Montana Working Forests Project would boost the State's economy and support a sagging wood products industry through ensuring timber harvest on lands that could otherwise be lost to private development. Preserving public access will have added economic benefits by enhancing recreation opportunities for both residents and visitors, supporting recreation-related businesses and services.

All of us who have lived in Montana for many years, have become increasingly concerned by the rising incidence of wildland fires, the control of which has become increasingly problematic and expensive because of the presence of private residences in the forest. By excluding forested lands from residential development, the Project would make future wildland fire control more practicable and less expensive.

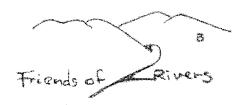
Montana's quality of life as a "Last Best Place" will be measurably enhanced by the Project, adding to the inventory of protected wildlife habitat and open space made even more valuable to all Montanans by long-term, sound land management principles.

The Montana Working Forests Project is a uniquely powerful and rare opportunity to preserve land uses that are not only our State's natural resource legacy rooted in history but also an asset for future prosperity and quality of life. We hope you can give exceptionally strong support to the Project.

Sincerely,

Chuck Erickson, President

Gary Matson, Secretary/Treasurer



Friends of Two Rivers

PO Box 376

Milltown MT 59851

December 1, 2008

Montana House of Representatives PO Box 200400 Helena, MT 59620-0400 Dear Representatives,

Friends of Two Rivers is a grass-roots organization of Bonner/Milltown residents supporting natural resource conservation. We are pleased to offer our strongest support for the Montana Working Forests Project, enabling the purchase and conservation of approximately 312,500 acres of Plum Creek Timber Company land. The Project would preserve this land for timber harvest, wildlife uses, and public access, all of which are at the heart of Montana's economy and quality of life.

By preserving the land uses that make Montana such a special place, the Montana Working Forests Project would boost the State's economy and support a sagging wood products industry through ensuring timber harvest on lands that could otherwise be lost to private development. Preserving public access will have added economic benefits by enhancing recreation opportunities for both residents and visitors, supporting recreation-related businesses and services.

All of us who have lived in Montana for many years, have become increasingly concerned by the rising incidence of wildland fires, the control of which has become increasingly problematic and expensive because of the presence of private residences in the forest. By excluding forested lands from residential development, the Project would make future wildland fire control more practicable and less expensive.

Montana's quality of life as a "Last Best Place" will be measurably enhanced by the Project, adding to the inventory of protected wildlife habitat and open space made even more valuable to all Montanans by long-term, sound land management principles.

The Montana Working Forests Project is a uniquely powerful and rare opportunity to preserve land uses that are not only our State's natural resource legacy rooted in history but also an asset for future prosperity and quality of life. We hope the Montana House of Representatives can give exceptionally strong support to the Project.

Sincerely,

Chuck Erickson, President

Gary Matson, Secretary/Treasurer

Great Burn Study Group

January 7, 2009

Governor Brian D. Schweitzer, Office of the Governor Montana State Capitol Bldg. P.O. Box 200801 Helena MT 59620-0801

Dear Governor Brian D. Schweitzer,

The Great Burn Study Group (GBSG) strongly supports the Montana Working Forests Project. GBSG is a local conservation organization based in Missoula. Our mission is to conserve the wild and remote character of the northern Bitterroot Mountains along the Montana/Idaho stateline.

As part of the larger 310,000-acre Montana Legacy Project, the Montana Working Forest Project's goal is to transfer approximately 111,000 acres to the State of Montana. About one-third of these acres are located in the Fish Creek drainage, which is adjacent to GBSG's mission area.

Our mission area not only includes a remote landscape of forests and mountains, but also the surrounding communities, including those of Mineral County. Members of our Board of Directors and staff are represented on the Mineral County Planning Board and the Mineral County Resource Advisory Committee, and on collaborative forest working groups in the county.

In informal conversations with Mineral County Commissioners, we noted their preference would be to have the Fish Creek lands managed by the Montana Department of Fish Wildlife and Parks. It is our and the Commission's understanding that Mineral County would benefit from more significant tax payments if FWP managed the land rather than the Montana Department of Natural Resources and Conservation. In addition, the drainage's importance to native wildlife and fish as outlined below, renders it appropriate that FWP manage the drainage.

National and regional government wildlife agencies and other organizations have identified the Fish Creek area as a high quality wildlife corridor and part of a regional wildlife movement zone linking the Selway-Bitterroot to the Northern Continental Divide and Selkirk-Cabinet-Yaak Ecosystems.

Locally, Fish Creek is part of a wildlife linkage zone between the Ninemile Valley and the Fish Creek/Petty Creek area. In addition, a well-known wildlife movement area exists between Burdette Creek and the proposed Great Burn Wilderness which provides passage for elk moving to winter range.

Fish Creek is a high priority area for FWP for its migration corridors, large numbers of elk, deer, moose and wolves, critical big game winter range, public hunting opportunities, and its fluvial bull trout populations.

GBSG supports the Montana Working Forests Project because it will maintain essential resource, conservation, social and economic values in western Montana. Specifically, we support FWP management of the Fish Creek lands. The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

Sincerely,

Yohn Hart

President

Great Burn Study Group

Walettaris

Dale Harris

Executive Director

Great Burn Study Group

ce: Mack Long, Regional Director, Montana FWP

Sharon Sweeney, Ranger, Superior District

Mineral County Commissioners

Kevin Chamberlain, Mineral County Extension Service



December 6, 2008

To the Honorable Brian D. Schweitzer, Governor, State of Montana

The Swan Group of Companies (consisting of Swan Mountain Outfitters, Swan Mountain Glacier Division, Swan Mountain Wilderness Guide School, and Swan Mountain Guest Ranch) strongly support and endorse The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac areas.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life. As residents and employers in the Swan Valley, we have witnessed firsthand the impact of this sprawl, and the resulting ripple impact is had on aspects of life in the Swan.

- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.
- With all the public pressure you have received on retaining and gaining access to land for more of the public to hunt on, this project seems crucial in assisting you in delivering on your commitment to the public to do so.

The Swan Mountain Group of Companies views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Patrick M. Tabor President and Owner Swan Group of Companies 26356 Soup Creek Road Swan Lake, MT 59911

Hunters for Montana Working Forests Project

Conserving wildlife habitat Ensuring traditional access

P.O. Box 1424, Lolo, MT 59847 hunteraccess@imt.net

December 21, 2008

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

We, the Hunters for The Montana Working Forests Project, are all hunters and long-term residents of Montana. And we are deeply concerned about losing both access to traditional hunting grounds and important habitat for wildlife should Plum Creek timberlands be converted into high-end and second-home development. For this reason., we enthusiastically support The Montana Working Forests Project.

Governor Schweitzer, to us, getting out on the land to hunt with our families is an enormous part of the traditional Montana way of life. Unfortunately, it seems as if we can scarcely drive down a road in rural Montana anymore without seeing a fresh crop of survey markers and "No Trespassing" signs. And in many cases, these lands are former Plum Creek Timber lands. Not only do we lose the access and habitat these lands represent, but in many cases these sales block access to adjacent public lands as well.

It is hard to see how we will maintain the hunting tradition for our children and grandchildren in Montana if these trends continue.

In addition, it is crucial both to the economic life of Western Montana and the health of the overall landscape, that Plum Creek lands remain as part of the sustainable timber harvest base instead of being locked away for second homes. This will ensure forest industry jobs and the economies of many towns of our region.

As we see it, The Montana Working Forests Project is in all ways a real "win-win" deal for the people of Montana.

Hunters for Montana Working Forests Project

Conserving wildlife habitat Ensuring traditional access

P.O. Box 1424, Lolo, MT 59847 hunteraccess@imt.net

Thus, we strongly endorse the plan to have, as we understand it, about 111,000 acres of Plum Creek lands transferred to the State of Montana. An opportunity like this will never come around again. We urge that your office and the legislature make this project one of the highest priorities of 2009.

Sincerely,

Frank Laber

Mike Kantor, Lolo Montana

13046 Kimbood Dave 59847 273-6844

David Meurer, Missoula Montana

13040 Connoll Lolo, MT 59861 531-625-0

Scott Laird, Lolo Montana

277-2823

Scott Laird, Lolo Montana

277-2823

Darrell Chambers, Missoula Montana

2843 Decorborn, Missoula, MT 59801 531-433

Darrell Chambers, Missoula Montana

2843 Decorborn, Missoula, MT 59801 531-43

Guy Leibenguth, Islo Montana

12520 Ounder RJ Florence MT 59833

I saw Kan for 1120 Terry Au, Billings, MT 59102 273-0740

Janes A. Fisher, 736 So 151 ST, W. Missoula, MT. 59801

40424012.

736 So 151 W., Missoula, MT. 59801

Hunters for Montana **Working Forests Project**

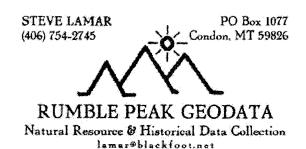
Conserving wildlife habitat Ensuring traditional access

P.O. Box 1424, Lolo, MT 59847 hunteraccess@imt.net

John Zelazny, Missoula, Montana

Steve Durwell

Missoula MT. 59804 Missoula MT. 59804



December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I have lived in Swan Valley for over 32 years and maintaining a viable timber economy is important to me. Montana has a rare opportunity to acquire about 111,000 acres of timberland in Northwest Montana from Plum Creek Timber Co. In the Swan Valley, about 16,000 acres are available to add to the Swan River State Forest. Because of the moist climate, it is prime timber growing land. The forests are resilient, and the trees grow fast. The land can be restored and sustainably managed long into the future, supporting foresters, loggers, log truck drivers, mills, mill works and an emerging restoration workforce.

I am also concerned about wildlife habitat and public access. If the lands are sold to private developers, wildlife habitat will be lost, and fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

Please set aside the necessary funding to acquire these lands. It's a once in a lifetime opportunity

Thank you.

Sincerely,

Here Lamar
Steve Lamar
Rumble Peak GeoData
PO Box 1077
Condon, MT 59826



October 13, 2008

Kat Imhoff, Montana State Director The Nature Conservancy 32 South Ewing Helena, MT 59601

re: The Montana Legacy Project

Dear Director Imhoff:

The Missoula Area Economic Development Corporation is a local economic development organization serving West Central Montana. As you well know, the forest products industry has a long and colorful history in our region. Of late, however, the industry has come under severe stress due to sharp declines in the construction and housing sectors of the national economy. We are working with the State of Montana to develop short-term measures that will help lumber mills lower operating costs in the hope that markets will recover in the future. We are also working to promote solutions to the need for fiber supply to support Missoula pulp mill and MDF plant.

When we met with Caroline Byrd to discuss these initiatives, she took time to give us an informative introduction to the Montana Legacy Project. When we interviewed representatives of the forest products industry across Montana, it was clear that increasing the acreage of forest under State management would be beneficial to the existing integrated forest products industry. We invited Caroline to present this information to our Board of Directors. In late August, she, along with Chris Bryant and Patrick Hefferman gave an excellent presentation on the Montana Legacy Project to our Board.

Based on that presentation, MAEDC's Board of Directors has decided to support The Nature Conservancy and The Trust for Public Land as they seek greater financial commitment from the State to acquire more acres through The Montana Legacy Project. There is no doubt that the effort to transfer more land now owned by Plum Creek to state ownership would be beneficial to the state's forest products industry.

We look forward to learning more about what specifically will be presented to the 2009 session of the Montana Legislature. MAEDC is also working to get the Montana Economic Developers Association to support the availability of funding from the State to help implement the Montana Legacy Project. We look forward to working with your organization as the session approaches.

Sincerely,

Dick King

President/CEO

Cc: Jim Davison, Montana Economic Developers Association

Missoula County Commissioners

Montana Wood Products Association

Evan Barrett, Governors Office of Economic Development

Caroline Byrd



Community. Conservation. Education. P.O. Box 1309 Swan Valley, MT 59826 Ph. 406.754.3185 Fax 406.754.3330 www.northwestconnections.org

November 24, 2008

Dear Governor Schweitzer.

Northwest Connections is an organization dedicated to preserving rural economies, rural landscapes, and the wildlife that depend upon them. Northwest Connections has been working towards a large-scale conservation solution for key Plum Creek timberlands in the Seeley-Swan for nearly a decade. We believe that key characteristics of Montana – the land, the wildlife and the people – are being threatened by the sell off of corporate timberlands in the state.

The Montana Working Forests Project, as part of the larger 310,000-acre Plum Creek acquisition underway, makes good conservation sense and good fiscal sense. This project stops the arterial bleed of land fragmentation currently underway. Moreover, this project will erase the checkerboard pattern of land ownership in key places like the Swan River State Forest. It will set the stage for robust restoration and stewardship activities that will support high skill, high wage jobs in the outdoors.

Northwest Connections also believes that this project is a good investment in Montana's future. The current economic crisis is a good reminder that land-based assets and renewable resources are a solid way to secure our collective economic future.

Northwest Connections heartily endorses the Montana Working Forests Project. We believe it's good for the land, good for the wildlife and good for future generations of Montanans.

Please let us know if there are ways that we can help make this project a reality during the upcoming legislative session.

Macroen Hartmann

Maureen Hartmann

Program Director, Northwest Connections



ecting each other. Sustaining the land.

6887 Highway 83, Condon, MT 59826 • 406/754-3137, 406/754-3138 (phone) • 406/754-2965 (fax) Swanec@blackfoot.net (e-mail) • SwanEcosystemCenter.com (web site)

Officers of the Corporation:

November 28, 2008

Neil Meyer, chairman

Montana Senate

Russ Abolt, vice chairman

State Capitol

Steve Ellis, treasurer

PO Box 200500

Anne Dahl, president

Helena, MT 59620-0500

secretary

Honorable Montana Senators:

Board of Directors:

Russ Abolt

Steve Ellis

Tom Giles Glen Gray

Grubaugh Pam Hamilton

Neil Meyer

Bill Moore

Stan Nicholson

Tom Parker

Gene Tingle

Advisory Board:

Lex Blood

Jim Burchfield

Bob Cushman

Chuck Harris

C.P. Rowlands

Betsy Spettigue

Many Valued Volunteers

Swan Ecosystem Center is an inclusive nonprofit group in Montana's Swan Valley. We work to ensure the sustainable use and care public and private lands. As a communitybased organization, we are concerned about the potential loss of a viable timber economy in Western Montana if the Plum Creek Timber Co. lands available for purchase are sold for second-home development or for other non-forest uses.

The Swan Valley may be the most productive timber growing land in Montana, particularly in the area of the Swan River State Forest, where the climate is moist and trees grow vigorously. Much of the future of Montana's woods products industry resolves around the forests of the North Swan Valley. More than 25 square miles of prime timberlands are available here for acquisition by Montana agencies. A total of 111,000 acres are available statewide. We have a rare opportunity to bolster Montana's timber economy and contribute to the school trust fund by purchasing these Plum Creek Timber Co. lands.

We are also concerned about protecting water quality and wildlife habitat for the diversity of species dependent on the Swan Valley, including grizzly bears and bull trout on the endangered species list. Neither streams nor wide-ranging wildlife species are constrained by political boundaries. Both would be more effectively managed in a block of connected parcels rather than in separated properties as they currently are in this checker-boarded landscape.

Public access for traditional hunting and fishing is dear to thousands of Montanans. This by itself is reason enough to purchase these lands. Once the lands are converted for to non-timber uses, fences and No Trespassing signs will go up. Please take advantage of this remarkable opportunity and ensure that adequate funds are available for the "Montana's Working Forests" component on the Montana Legacy Project. Thank you.

Sincerely,

(Suneapall

Anne Dahl, president

On behalf of the Swan Ecosystem Center Board of Directors



THE VIBAL GROUND
FOUNDATION
BLOG T-2, FORT MISSOULA RD.
MISSOULA, MONTANA 59804
406-549-8650
FAX: 406-549-8787
INFO@MTALGROUND.ORG
WWW.MTALGROUND.ORG

BOARD OF DERECTORS
DOUGLAS M. CHADWICK
CAROLYN E. DOBBS, PHD
THOMAS H. FEY
ROBERT W. KOONS
JONATHAN VV. LANDERS
M. BANIL GURESHI
LYNNE SEUS
STUART D. STRAHL, PMD
JOHN E. SWALLOW
DAVID E. WESLEY, PHD
KELLY A. WEISON

JENNORARY BOARD
JENNIFER ARISTON
JERF BRIDGES
CRAIGHEAD, PHD
JENNIFER ARIGHEAD GEORGE
ARITHONY MORKINS
JACK HORNER, PHD
THOMAS D. MARIGEISER
BRAD PITT
EDWARD ZWICK

FOUNDERS
DOUG AND LYNNE SEUS
BART THE BEAR™

AMBASSADORS LITTLE BART THE BEAR™ HONEY-BUMP BEAR™ TANK THE BEAR™

Executive Director Gary J. Wolfe, Ph.D. December 18, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Dear Montana State Representatives,

This letter expresses The Vital Ground Foundation's enthusiastic support of The Montana Working Forests Project. The project represents a once-in-a-lifetime opportunity to protect 111,000 acres of habitat and open space, as well as the quality of life that makes living in western Montana so special.

Vital Ground is a 501(c)(3) wildlife conservation organization headquartered in Missoula, Montana. With the grizzly bear as its compass, Vital Ground works to reconnect fragmented landscapes in the northern Rockies critical to wildlife movement and biodiversity. Because the grizzly's range covers several hundred square miles—from alpine meadows to valley bottoms—protecting and expanding habitat and migration corridors important to the Great Bear benefits entire animal and plant communities in the wildest, yet most imperiled places left on the continent.

Vital Ground has identified lands included in The Montana Working Forests Project as possessing high value for Montana's Threatened grizzly bear populations. Many of the parcels addressed under the project lie within the Northern Continental Divide and, as such, provide core habitat for grizzlies. Additional parcels targeted for acquisition throughout Missoula County will protect essential habitat linkage for bears moving between the Cabinet-Yaak Recovery Zone and the proposed Selway-Bitterrot grizzly bear reintroduction area.

Since 2005, Vital Ground has worked with private landowners in these areas to acquire conservation easements protecting hundreds of acres for wildlife. Vital Ground's projects were completed through collaboration with multiple public and private funding partners.

Our activities throughout western Montana are already complimenting the goals of The Montana Working Forests Project, and in turn, the result of our efforts will be greatly amplified by the successful completion of the Work Forests Project—protecting some of Montana's (and America's) most critical wildlife habitat.

Vital Ground views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana. We appreciate your commitment to this historic conservation endeavor, and hope that you will continue your support in the months and years to come.

Sincerely,

Gary J. Wolfe, Ph.D. Executive Director



Atlanta, Georgia 30328 Phone: (770) 393-3211 FAX: (770) 393-3788 www.tingleassoc.com

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Re: Support for Montana's Working Forest Proposal

Honorable Montana Representatives:

I am writing as a landowner and part-time resident of the Swan Valley and as a board member of the Swan Ecosystem Center in Condon. I strongly support the State's efforts, together with the National Conservancy and the Trust of Public Lands in the "Forest Legacy Program" to acquire and protect valuable natural resource land in northwest Montana currently owned by Plum Creek Timber Company.

In particular, I strongly support the State's efforts in funding "Montana Working Forests." As you know, these lands are vital in:

- Protecting Montana's critical wildlife habitat;
- Maintaining recreational access for hunters, hikers, fisherman and motorized use in appropriate areas;
- Maintaining forest industry jobs by establishing sustainable timber harvest and supporting rural Montana's woods products heritage;
- Consolidating the ownership and management of the former "checker board" pattern of landownership. This fragmentation of ownership has resulted in very inefficient and costly management efforts. Management of the natural resources and use of tax payer dollars will become much more cost effective with implementation of the working forest initiative;
- Additional income to the State's School Trust Fund.

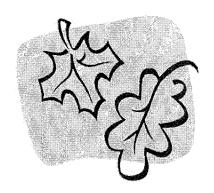
It's truly not an overstatement to say this is a once in a lifetime opportunity. I hope you concur and move forward with this proposal.

Thank you for considering my comments.

Best regards,

11. 1....5.





SWAN VALLEY SENIOR SERVICES

PO Box 1084

Condon, Montana 59826

December 3, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Montana Senators:

The Board of Directors of the Swan Valley Senior Services, a non profit community service organization, would like to add our support to the attached letter from the Swan Ecosystem Center requesting the purchase of available Plum Creek Timber lands by the Great State of Montana to preserve their forest status for the benefit of our current and future population.

Montana has recently been in the public eye for the dynamic and progressive nature of our Governor. We believe the purchase of this land by the State is representational of that spirit of enthusiasm and concern for the landscape of this most beautiful and unique part of the world. Further, we feel that this acquisition will be an important gift to enhance the lives of our citizens throughout the State.

Thank you for your consideration.

Sincerely,

Susan Taylor, Interim President Swan Valley Senior Services

Susan Laylor

MONTANA WILDLIFE FEDERATION

www.montanawildlife.org



Protecting
Montana's
wildlife, land,
waters, hunting
and fishing
heritage since
1936

January 21, 2009

Governor Brian D. Schweitzer Mentana Capitol PO Box 200801 Helena MT 59620-0801

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Subject: Montana Working Forests Project

Dear Governor Schweitzer and Montana Legislators:

Montana Wildlife Federation (MWF) is a membership-based organization with more than 7,200 members, and 23 affiliate clubs across Montana. MWF is dedicated to the conservation of our natural resources and public opportunities to enjoy these resources, fish and wildlife sustainability, and the protection of our hunting and fishing heritage. As the leading Montana advocacy organization for sportsmen and sportswomen, we conduct conservation, wildlife, and public resources education programs and symposiums, and engage with policy decision makers, state and local agencies and the Montana legislature.

MWF is deeply concerned with the degradation and the loss of wildlife sustaining habitats due to the conversion of forest lands to residential subdivision and development. When this occurs, wildlife and fisheries habitat and public access are at risk, particularly in areas of intermingled public and private ownership. As these lands are subdivided and developed, wildlife habitat is fragmented, fences and No Trespassing signs go up, and opportunities for hunting and fishing become more limited.

The Nature Conservancy and The Trust for Public Land are working to implement the Montana Legacy Project, an agreement to acquire about 312,000 acres of Plum Creek lands in western Montana. As a result of input received at community meetings and dialogue with State agencies and the Governor's Office, there is a concerted effort to identify funding for the State of Montana to acquire approximately 111,000 acres of these lands. Known as the Montana Working Forests Project, MWF believes this is a significant opportunity for the citizens of Montana.

Jan 21 2009 8:19AM

p. 2

MWF has informed itself of this project and considered its relationship to our organizational mission, and the benefits to our membership and the general public. The MWF Board of Director's strongly support the Montana Working Forests Project believing that this project will contribute to the conservation of wildlife habitat and water resources, maintain traditional public access for outdoor recreation opportunities, and help maintain a land base of productive forests. We understand that the Montana Working Forests lauds would be owned and managed primarily through the Montana Department of Natural Resources and Conservation for the benefit of all Montanans. All of the Plum Creek checkerboard lands within the Swan River State Forest could be included, as well as priority lands in the Potomac area and Fish Creek drainage. We encourage your support of legislation (HB14) that can provide for investment in all or a portion of those lands included in the Montana Working Forests Project.

The Governor's Budget included a recommendation for a general obligation bond to acquire additional School Trust lands. House Bill 14 (HB-14) furthers this recommendation and proposes an authorization of \$21 million in such funding. It is our understanding that the DNRC would target this funding for acquisition of Montana Working Forests lands in the Potomac area. This would complement other funding resources that could be applied to implement additional State acquisitions in priority areas.

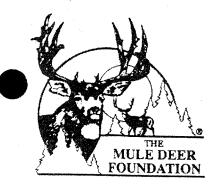
Montana Wildlife Federation is requesting your serious consideration of HB 14 and encourages your support of implementing the opportunity afforded to the citizens of Montana by the Montana Working Forest Project!

Respectfully,

Craig Share

Executive Director

This message brought to you by Montana's largest statewide wildlife organization of more than 7,000 conservation minded hunters and anglers with a common mission 'To protect and enhance Montana's public wildlife, lands, waters and fair chase hunting and fishing heritage'.



The Mule Deer Foundation

Making a difference in mule and blacktail deer conservation through management, education, information and member involvement.

January 3, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

The Western Montana Chapter of the Mule Deer Foundation strongly support The Montana Working Forests Project. The Mule Deer Foundation's mission is to ensure the conservation of Mule Deer, Blacktail Deer and their habitat.

The Western Montana Chapter does cover all of Missoula, Mineral, Sanders and Ravalli counties. This will have a huge impact on the wildlife habitat in these areas. Money that we have generated from our fundraisers has already been used for projects in the general areas of these working forest lands.

As an organization we always look at access as a primary tool for management and this will ensure that access.

The Montana Working Forests Project will also protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

The Western Montana Chapter of the Mule Deer Foundation views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Ray Rugg

Chapter Chair, Western Montana Chapter, Mule Deer Foundation

January 28, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

This letter is designed to be a letter of support for the Montana Working Forests Project. The Bonner School Board is strongly supportive of The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area. The School Board is very supportive of preserving the land in the Bonner Milltown area.

The Montana Working Forests Project represents an once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.
- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the

open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.

In closing, the Bonner School Board views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Doug Ardiana, Superintendent

Bonner Schools

20 January, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

We now have the conservation opportunity of a life time. The Plum Creek Timber lands being sold in the Swan and Clearwater valleys are the crown gems of western Montana, and they are for sale.

These lands, full of lakes, beautiful streams, wetlands, unmatched wildlife habitat, and great timber resources, will be purchased by The Montana Legacy Project in 2009 and 2010. But the Legacy organizations (TNC and TPL) cannot hold the land, and it must be sold to the State of Montana and the U.S. Forest Service.

We want all the "checkerboard" lands in the northern Swan to become part of the Swan River State Forest and Montana Fish Wildlife and Parks lands, to be managed for multiple values and the perpetual benefit of the Montana schools.

Please find a way to set aside the necessary funding to acquire the Plum Creek lands in the northern Swan Valley. This is a unique opportunity for all Montanans, especially our upcoming generations. Please urge the legislature to be bold in securing these lands for Montana.

Thank you.

Sincerely,

4660 Spurgin Rd.

Missoula, MT 59804

406-327-8443

January 22, 2009

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

January 20 marked a historic moment in our nation's history—and it also gave me great hope that we can accomplish great things—starting right here in Montana. We can be forward thinking so that our children will look back at us and thank us as we do our ancestors who had the wisdom to create the National Park system and the Wilderness system that we can all enjoy today. Their work needs to be carried on today—and in the Swan Valley we have a unique opportunity to conserve private lands before they become developed with houses—lands in this case not for wilderness but as working forests and as wildlife corridors for species that have long vanished from other parts of the country—like the grizzly bear and the wolverine, and fish, too, like the bull trout that needs cool, connected, clear waters.

I strongly support the state's acquisiton of 110,000 acres of Plum Creek land that are available now—not in the future but now. We cannot put off this important investment or we will lose the opportunity forever.

Thank you.

Deborah Richie Oberbillig 503 Linden Street Missoula, MT, 59802

Nancy Winslow 1910 Alvina Drive Missoula, MT 59802

January 27, 2009

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forestlands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana. The Montana Working Forests Project will:

- Maintain recreational access for hunters and recreationists.
- Prevent further loss of forest industry jobs.
- Slow the rapidly rising cost of fire suppression that is the result of suburban sprawl.
- Protect some of Montana's (and America's) most critical wildlife habitat for not only game species, but non-game and endangered species as well.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana. Please support the project by allocating state agency dollars for studying and implementing this once-in-a-lifetime opportunity.

Sincerely,

Nancy Winslow

January 16, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

As a member of the Board of the Ninemile Wildlife Workgroup, I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The state of Montana is unique in the natural beauty it contains and the wildlife that continues to flourish here. Although not a native Montanan, I have lived in Western Montana for 38 years, and as soon as I arrived I knew I had come home. I believe this project is a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make this area such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies. The Ninemile Wildlife Workgroup is working hard to preserve habitat for wildlife migration through the area that includes Fish Creek. Although I am not anti-growth, I do believe that certain areas must be protected and remain wildlife migration corridors.
- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.

The Ninemile Wildlife Workgroup views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but also a way of life in western Montana, one that we do not want to lose.

Sincerely,

Ms. Surry Latham PO Box 460134

dury Hatham

Huson, MT 59846

surry@montana.com

Montana State Senate State Capitol PO Box 200500 Helena, MT 59620-0500

November 2008

The Swan Ecosystem Center (a nonprofit community group working on local ecosystem and education programs) strongly supports Montana's Working Forests.

Swan Ecosystem endorses the Montana's Working Forests proposal for abundant reasons. The proposal converts roughly 110,000 acres of Plum Creek land into state ownership--- apart of a larger 312,000 acre land conservation purchases known as the Montana Legacy Project. Montana's Working Forests could encompass large sections of land in the Swan Valley, the Fish Creek drainage and areas west of Missoula and in the Potomac area.

The Montana's Working Forests proposal represents a once in a lifetime opportunity to protect the quality of life in western Montana and to maintain the essence of the core values that make western Montana such a distinct and special place.

The Montana's Working Forests proposal will maintain essential resource, conservation, social and economic values in western Montana by:

- Protecting some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.
- Maintaining recreational access for hunters, anglers, hikers, motorized recreation and other
 uses. Access to much of these lands could ultimately be in jeopardy unless the Montana's
 Working Forests project is funded and approved.
- Working to maintain forest industry jobs. Western Montana has a proud wood products
 history but for a variety of reasons that industry is currently facing serious economic
 uncertainty. The Montana's Working Forests proposal calls for sustainable timber harvest
 levels for land involved, which means sound stewardship, forest health and a foundation of
 employment and economic opportunity in the woods products industry.
- Stemming fragmentation of landscape from excessive rural development. Throughout the west
 we are losing intact landscapes to fragmentation caused by rural development. When
 fragmentation of forestland occurs, the forest may cease to provide what a forest should
 provide--access, wildlife habitat, wood products and others important qualities like water
 quality protection and forest health for fire suppression capability. The Montana's Working
 Forests proposal will reduce this fragmentation, which is essential to maintain western
 Montana's traditional quality of life.
- Generating additional income to the school trust fund. The Montana's Working Forests

proposal calls for the state to purchase up to 110,000 acres of lands for inclusion as state forestland. This addition to the state's forestland will generate income for the school trust fund through sales of timber, subject to state land management and sustainable harvest calculations. One estimate suggests as increase in 10 million board feet annually--reasonable for an additional 110,00 acres--will produce an additional 230 wood products jobs and generate over \$2 million in annual revenue for Montana schools

The Swan Ecosystem views Montana's Working Forests as a remarkable opportunity to help conserve not only a landscape but a way of life in western Montana.

Sincerely,

Yam Hamilton

2701 Salmon Prairie Road Swan Lake, MT 59911

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time - even at very low densities - the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Harrine Abolt Larrine Abolt 2515 Smith Creek Rd.

Candon, MT 59806

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

• The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Leita E. Inderson

48350 U.S. Hywey 83 P.O. Box /239 Condon, Mont. 59826

William B. and Katharine A. Beers 584 Remicks Road Condon, MT 59826 (406) 754-4551

December 7, 2008

Montana House of Representatives State Capitol P. O. Box 200400 Helena, MT 59620-0400

Dear Representatives:

We strongly support and endorse Montana's Working Forests Project.

We are in favor of the State of Montana acquiring the approximately 111,000 Plum Creek acres that are available statewide.

We are concerned about the potential loss for Montana's timber economy if Plum Creek lands that are available for purchase are sold for residential development or other non-forest uses.

In addition to providing employment and economic opportunity in the timber industry, we believe the Montana's Working Forests Project will protect critical wildlife habitat; maintain public recreational access for hunters, anglers, hikers and other uses; protect the landscape from being fragmented by excessive rural development; protect water quality; and generate income for the school trust fund.

Please ensure that sufficient funding is available for the Montana's Working Forests portion of the Montana Legacy Project.

Sincerely,

William B. Beers

Kathere Lheen

Willen B. Bers.

Katharine A. Beers

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. Public access is important to me. We have a remarkable opportunity to maintain public access on about 111,000 acres of Plum Creek lands by acquiring them for State ownership. If these lands are subdivided for second homes, fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

I am also concerned about protecting wildlife habitat and maintaining a viable timber economy. If we can't protect these lands, habitat will be compromised and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up.

Thank you.

Sincerely,

Rick Birdwell PO Box 1043

Condon, MT 59826

Rick Birdwell

406-754-3137

December 26, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within

one mile of three separate fires, in 2007. Had these lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Patricia Bouta

PO Box 1589 Seeley Lake, MT 59868 Buck Creek Guide Service P.O. Box 1340 Condon, MT 59826 406 754-2471 Quality Hunting Since 1978

December 1, 2008

Dear Governor Brian D. Schweitzer,

Buck Creek Guide Service, a Montana hunting and guide service since 1978, would like to express its strong support for The Montana Working Forests Project.

We have watched as more and more Plum Creek Timber Co. land gets sold off to real estate, fragmenting big game habitat, and ending access for sportsmen.

We are well acquainted with the acres being considered in the Seeley-Swan and know those acres to be a very smart investment for the state of Montana.

As private timberland owners ourselves, we are also hopeful that this project will protect our local mills and keep our lands profitable. Selling a few loads of logs per year make the difference for people like us and if we lose our milling infrastructure in western Montana, we ourselves may be pushed off our land.

In addition, we have watched as state coffers have been depleted by fighting fire in the Seeley-Swan, and we know first hand that those dollars are spent in large part to protect the ever spreading development in our valleys.

So for many reasons, as a family-owned rural business in Montana, we are supportive of this project.

Thank you for considering our views,

Thomas W. Parker (owner), Buck Creek Guide Service

Melanie, John and Kyra Parker

December 11, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

My husband and I moved to the Swan Valley in 1980, and love the land and lifestyle of this area.

We strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression

Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

We view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Sheri M Burden 22141 Old Mill Rd

Swan Lake, MT 59911

December 8, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Maintaining a viable timber economy is important to me. Montana has a rare opportunity to acquire about 111,000 acres of timberland in Northwest Montana from Plum Creek Timber Co. In the Swan Valley, about 16,000 acres are available to add to the Swan River State Forest. Because of the moist climate, it is prime timber growing land. The forests are resilient, and the trees grow fast. The land can be restored and sustainably managed long into the future, supporting loggers, log truck drivers, mills, mill works and an emerging restoration workforce.

Please set aside the necessary funding to acquire these lands.

Thank you.

Sincerely,

Viola Grace Burgess 6458 Highway 83 N

Varouce

Condon, MT 59826

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Maintaining a viable timber economy is important to me. Montana has a rare opportunity to acquire about 111,000 acres of timberland in Northwest Montana from Plum Creek Timber Co. In the Swan Valley, about 16,000 acres are available to add to the Swan River State Forest. Because of the moist climate, it is prime timber growing land. The forests are resilient, and the trees grow fast. The land can be restored and sustainably managed long into the future, supporting loggers, log truck drivers, mills, mill works and an emerging restoration workforce.

I am also concerned about wildlife habitat and public access. If the lands are sold to private developers, wildlife habitat will be lost, and fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

Please set aside the necessary funding to acquire these lands. It's a once in a lifetime opportunity

Thank you.

Sincerely,

Mike Gilds
Box 1105
Condon, Mentana
59826

Dear Governor Brian D. Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Paula Clarke

PO Box 1148

Condon, MT 59826

Anne Dahl PO Box 1351 Condon, MT 59826

November 26, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Honorable Montana Senators:

Please allocate funding for the 111,000 acres of Plum Creek Timber Co. lands available for state ownership. Acquiring these lands will contribute to the school trust fund and help bolster Montana's forest-based economy, including our timber and restoration industries. The acquisition may help prevent the further loss of mill infrastructure.

The Swan Valley may be the most productive timber growing land in Montana, particularly in the area of the Swan River State Forest, where the climate is moist and trees grow vigorously. Much of the future of Montana's woods products industry revolves around the forests of the North Swan Valley. More than 25 square miles of prime timberlands are available here for acquisition by Montana agencies. It is vitally important to acquire these lands.

I'm concerned about protecting wildlife habitat and water quality. Neither streams nor wideranging wildlife species are constrained by political boundaries. Both would be more effectively managed in a block of connected parcels rather than in separated properties as they currently are in the checker-boarded landscape of the Swan Valley.

As a hunter, I join all Montanans in valuing public access for hunting and fishing. If these Plum Creek Timber Co. lands are sold for second-home development or for other non-forest uses, fences and No Trespassing signs will go up, drastically limiting our ability to maintain a viable recreation economy.

Please take advantage of this remarkable opportunity and ensure that funds are available for the "Montana's Working Forests" component on the Montana Legacy Project.

Thank you.

Sincerely,

Anne Dahl

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Betsen Elles 42213 Awy 83 Bigforls, Not 59911

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. Public access is important to me. We have a remarkable opportunity to maintain public access on about 111,000 acres of Plum Creek lands by acquiring them for State ownership. If these lands are subdivided for second homes, fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

I am also concerned about protecting wildlife habitat and maintaining a viable timber economy. If we can't protect these lands, habitat will be compromised and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up.

Thank you.

Sincerely,

Diemo Ericsen P.D. Box 1105 Condon, MT 59826

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Henry Fassnacht 1118 Creek Crossing Road Missoula, MT 59802 (406)721-5805

January 2, 2009

Dear Governor Brian D. Schweitzer,

I've been working in the wood products industry for 26 years and I support the State of Montana acquiring land through the Montana Working Forests Project.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

It is a sound financial investment for the people of Montana. Not only will it provide revenues from future timber harvest, it will provide indirect revenue from our recreation industries. Furthermore, I believe there are future markets which will require these lands as a basis for providing necessary resources. These include co-generation as well as markets and technologies which have yet to be developed.

Another consideration is that much of this land lies within the Wildland Urban Interface. It would be better to control the management of these lands than deal with the costs of structure protection because a different landowner may not be proactive with their fuels management.

The Montana Working Forests Project will help to maintain forest industry jobs. Sound stewardship of these lands by Montana now and far into the future will ensure they remain economically viable for the future generations that work here.

The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide — public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

The Montana Working Forests Project is a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely.

Henry Fassnacht

December 8, 2008

Governor Brian D. Schweitzer Montana Capital P.O. Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

We are proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Company that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans we have benefited from the Plum Creek timber Company's open lands policy. The public access afforded by these lands is important to us. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can not pass up.

Sincerely,

Dwayne Forder Pam Forder P.O Box 1096 Condon, Montana 59826 December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans and other Northwesterners my wife and I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to us. We also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Relief Feedingly 3821 Wester Min Al. Meteor, ID 5-3843 December 6, 2008

Montana House of Representatives State Capital P.O. Box 200400 Helena, MT 59620-0400

RE: Endorsement of Montana's Working Forests Proposal

Included in the 312,000 acre Montana Legacy Project is 111,000 acres that would be converted into State ownership. (Montana's Working Forests)

Montana's Working Forests represents a once in a lifetime opportunity to protect our quality of life for all of Montana, now and for future generations.

As a resident of the Swan Valley in Northwestern Montana and a board member of the Swan Ecosystem Center, I ask for your support in making Montana's Working Forests a reality.

Sincerely:

Thomas W. Giles 8708 Lindbergh Lake Road Swan Valley, MT 59826 <u>trailsend@blackfoot.net</u> November 28, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Dear Representatives,

I have been a natural resource manager in the Swan Valley for over 32 years. Although I am now retired, I still care very much about the future of our forests, wildlife, fisheries, timber industries and rural lifestyle. I have continued to be involved in the future of our forests through the Swan Ecosystem Center. The Montana Working Forests Initiative is a tremendously exciting opportunity for Montana. It is good for Montanans, Montana's wildlife, Montana's timber industry, Montana's School Trust and Montana's rural lifestyle.

The Swan Valley has the highest productive habitat types found anywhere in the state. These habitat types are highly productive not only for growing trees, but also provide a unique diversity of wildlife habitats. The Swan River has the highest population density of bull trout found anywhere in the state. The Swan forest provides a diversity of habitats for species ranging from grizzly bears, bald eagles, Canadian lynx, wolverine, fisher, martin, bobcats, mountain lions, white-tailed deer, mule deer, elk and moose.

The checker board ownership pattern in the Swan Valley with State, Forest Service and Plum Creek Timber Company has contributed to fragmentation of the these habitats. Plum Creeks decision to divest of their lands further threatens habitat fragmentation, stability of the timber industry, public access, urban encroachment, cost of fire suppression and our rural lifestyle. The Montana Working Forest Initiative provides a unique opportunity to block up 25 square miles of Plum Creeks land intermingled in and around the Swan River State Forest under the management of the Montana Department of Natural Resources.

I strongly believe this is the right agency to manage these lands. The DNRC has consistently demonstrated a commitment to maintaining a sustainable timber harvest while maintaining water quality, healthy fisheries and a diversity of quality wildlife habitat. The additional timber base will substantially add to the financial return to Montana's School Trust Funds. It would contribute to stability to the local timber industry, guarantee continued public access. Acquisition of these Plum Creek lands substantially enhance the management efficiency and management effectiveness.

The Montana Working Forests Initiative is good for Montanans, good for Montana's wildlife, good for Montana's timber industry, good for Montana's School Trust, and good for Montana's rural lifestyle. The acquisition of the 111,000 acres of Plum Creek lands scattered along the Seeley/Swan, Fish Creek and the Potomac Valley by the State of Montana is good for Montana. And, the biggest bang for the buck is right here in the Swan Valley.

Sincerely,

Glen N. Grav

Gl. d. Surg

December 12, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

As a third generation Montanan and 30 year resident of the Swan Valley I am writing to ask for your support in funding to acquire Plum Creek lands in the Swan Valley. I have spoken to you in person about this a couple years ago and appreciate your continued interest in this critical effort.

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Kari Gunderson

Peter C Guynn Caroline C Guynn 929 S Gilpin St Denver Co 80209

Governor Brian D Schweitzer Montana Capitol PO Box 200801 Helena, Mt 59620-0801

Dear Governor Schweitzer,

We are writing you to urge support for the Montana Working Forest Project. We are part-time residents in the Swan Valley and plan to retire there so we are particularly familiar with the portion of the project dealing with the 16,000 acres in the Swan River State forest.

We have watched with concern over 20 years with the potential impact of real estate development on the rural lifestyle as well as the impact on scenic and wildlife resources in the Swan Valley. We have joined in the movement toward land conservation ourselves by contributing our 60 acres into permanent conservation easement and we have also helped land conservation groups with sizable financial contributions to pursue as well as purchase conservation easements in the Swan Valley. The advent of the greater Legacy Project this spring offers the best hope to date to preserve what is best in the Swan Valley.

We are particularly familiar with the Swan State Forest as we have hiked, camped and floated through it many times. It is rich in wildlife and the predator population such as the wolf and grizzly find few conflicts with human activities there.

The incorporation of all the Swan lands into one coherent whole will be the best measure to ensure the future viability of a sustainable timber industry while ensuring the preservation of the incredible scenic and wildlife resources we all enjoy in this great state.

Thank you for your support.

Peter C Guynn Caroline Guynn December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

SHARI HERST SHARI HIRST PO. BEXICE CONDEN MT 54826 Dear Governor Brian Schweitzer,

My name is Denny Iverson. I live in the Potomac Valley of the Blackfoot River watershed in Missoula County. I'm writing to you today to express my support for the Montana Working Forests Project and to urge you and the State Legislature to work toward securing funding for the DNRC to acquire close to 110,000 acres of the larger 310,000 acre Montana Legacy Project lands. Nearly 20,000 of the 110,000 acres face into the Potomac Valley.

As a rancher and a logger, I can't express strongly enough the importance of protecting these lands for timber production and summer grazing, not to mention the wildlife habitat it provides. I've logged on these lands and helped my neighbors gather cattle from them in the fall for the last 30 years. The Potomac Valley still has a viable ranching and logging economy that depends heavily on this landscape remaining intact. My future in the ranching business depends on this land remaining intact. The pressure of subdivision continues to take good working lands out of production in western Montana at an alarming rate. This is a grand opportunity to keep ranching and timber production part of the fabric of the western Montana lifestyle.

This project has been a dream of mine for along time. Through the leadership of The Nature Conservancy and the honorable Senator Max Baucas, it is close to becoming a reality. I hope I can add your name to the list of folks that will make it a reality for all the good people of Montana.

Thank you for your leadership as my governor (something I recognized at an FSA meeting in Helena about 100 years ago when you served on the State Committee and met with the county committees. I served on the Missoula County committee for 9 years.)

Sincerely, Denny Tverson

32200 Slocum Ln. Potomac Mt. 59823

406-244-5439

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Janet Jones Ronald 2 Pores 1697 Rumbhs Greek Rd1 Condon, mT59826

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Manual Sude Monpoone Judes Po Bry 1352 Conon M+ 59826

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Kathy Koors PO Box 1043

Condon, MT 59826

Keethy Koors -

406-754-3137

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

OSW NOW

Ruth Korn

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am very proud of Montana's rich natural heritage. Unlike other states, Montana still has viable populations of nearly all the animal and plant species indigenous to the Northern Rockies, which is of utmost value to me. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be a shame to miss this extraordinary opportunity to protect our quality of life.

Like most Montanans, I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened. If these lands are acquired, the potential for a restoration economy, future timber production, ecosystem management, and public recreation is enormous.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely

Adam Lieberg 1200 Ed Road

Condon, MT, 59826

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

• The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer.

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

We view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely, Med Alleger

Neil Meyer

41602 Solmon Proirie Pd

Swan Loke Mt 59911

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Dennis Monson

Dennis Monson

Mini Monson

NINA Monson

December 8, 2008

Dear Governor Brian D. Schweitzer,

The Montana Trappers Association strongly supports The Montana Working Forests Project.

The Montana Trappers Association endorses The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, trappers, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

• The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

The Montana Trappers Association views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Tom Barnes

Tom Borns

President Montana Trappers Association

Governor Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Bill Moore PO Box 977

Condon, MT 59826

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Nau Nelson -5974 Highway 83 Condon, MT 59826

December 9, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Jack P. Novosel

22/133 Old Mill Road

Swan Lake, MT 59911

December 9, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Novose1

Dear Governor Schweitzer,

I strongly support the Montana Working Porests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Scoley-Swan, Fish Crock drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, bikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing scrious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide - public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open-market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time - even at very low densities - the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Susan Novosel 22133 Old Mill Road Swan Lake, MT 59911

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Marian Seaman

MARIAN SEAMAN 6080 Nwy 83 Condon, Mt 59826 December 11, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Susan J. Stanley 25830 Nine Mile Rd. Huson, Montana 59846 December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Roger Homas 1018 Remicks Rd. Condon, MT 59826 Richmond H. Thomason Box 1045 Condon MT 59826 December 6, 2008

vernor Brian D. Schweitzer ntana Capitol Box 200801 lena MT 59620-0801

ar Governor Schweitzer:

We are writing to urge you in the strongest terms to help to set aside the necessary ding to acquire the approximately 111,000 acres of Plum Creek lands located in the ley-Swan, Fish Creek drainage, and Potomac area.

We have lived in the Swan Valley for over 35 years, and are proud to see the leadership t has evolved here in planning for sustainable, multiple-use land usage. These days, very le time and energy in our valley go into divisive wrangling. Long-term residents and irees, sportsmen, nature lovers, and forest workers may disagree in some ways. But they agree that the unique values of our valley are threatened, and that active management be taken to preserve them for future generations, maintaining at the same time onthating source of income for local residents.

This cooperation has resulted in many successful initiatives, including many private orts, and most notably the Swan Ecosystem Center's partnership purchase of critical ds on Elk Creek, and the management plan that is emerging for this land.

The Montana State Forest and Department of Fish and Wildlife provide an additional rce of leadership and expertise for cooperative projects of this sort. But the State's ability properly manage their lands is greatly impeded by the checkerboard ownership pattern, ich forces a local approach to landscape-level management problems. With Plum Creek's nsformation into a real estate company, the threat of privatization and subdivision would ate a management disaster, not only in terms of fragmentation, but in the cost in habitat and service needs—especially water usage and fire prevention needs.

December 9, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Like most Montanans we have benefited from Plum Creek Timber Company's open lands policy. Public access is important to me. We have a remarkable opportunity to maintain public access on about 111,000 acres of Plum Creek lands by acquiring them for State ownership. If these lands are subdivided for private development, fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

We are also concerned about protecting wildlife habitat and maintaining a viable timber economy. If we can't protect these lands, habitat will be compromised and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up.

Thank you.

Sincerely,

Debbie Grahl and Roger Wade 19583 MT Hwy 83 Bigfork, MT 59911 December 8, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Honorable Montana Senators:

As an employee of Swan Ecosystem Center a local nonprofit in the Swan Valley, and as a full time resident of Condon, I am deeply concerned about the potential loss of a viable timber economy in Western Montana if the Plum Creek Timber Co. lands available for purchase are sold for second-home development or for other non-forest uses. Rural communities are fast-disappearing, and it is my opinion that we need to do everything we can to keep this way of life intact. Without intact forests for recreation, conservation, and local employment, Montana will lose its soul.

The Swan Valley may be the most productive timber growing land in Montana. Much of the future of Montana's woods products industry revolves around the forests of the North Swan Valley. More than 25 square miles of prime timberlands are available here for acquisition by Montana agencies, with a total of 111,000 acres available statewide. We have a rare opportunity to bolster Montana's timber economy and contribute to the school trust fund by purchasing these Plum Creek Timber Co. lands.

I am also concerned about protecting water quality and wildlife habitat for the diversity of species dependent on the Swan Valley, including grizzly bears and bull trout on the endangered species list. Neither streams nor wide-ranging wildlife species are constrained by political boundaries. Both would be more effectively managed in a block of connected parcels rather than in separated properties as they currently are in this checker-boarded landscape.

Public access for traditional hunting and fishing is dear to thousands of Montanans. Once the lands are converted for to non-timber uses, fences and No Trespassing signs will go up. I urge you to take advantage of this remarkable opportunity and ensure that adequate funds are available for the "Montana's Working Forests" component on the Montana Legacy Project. Thank you very much for taking the time to consider this very important decision. Please hel;p us to keep our ecosystem intact.

Sincerely,

Liza Ward

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

- suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Mary Low Wilhelmo 3900 GALWAY AVE #200 MISSOULA 59808